

STATE OF TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

500 Deaderick Street Suite 850 Nashville, Tennessee 37243 741-2364

Date: November 5, 2012

To: HSDA Members

From: Melanie M. Hill, Executive Director

Re: CONSENT CALENDAR JUSTIFICATION

CN1209-043 – Girling Health Care Services of Knoxville, Inc d/b/a The Home Option by Harden Healthcare

As permitted by Statute and further explained by Agency Rule on the last page of this memo, I have placed this application on the consent calendar based upon my determination that the application appears to meet the established criteria for granting a certificate of need. Need, economic feasibility and contribution to the orderly development of health care are detailed below. If Agency Members determine that the criteria have been met, a member may move to approve the application by adopting the criteria set forth in this justification or develop another motion for approval that addresses each of the three criteria required for approval of a certificate of need.

At the time the application entered the review cycle on October 1, 2012, it was not opposed. If the application is opposed prior to it being heard, it will move to the bottom of the regular November agenda and the applicant will make a full presentation.

Summary—

GHCS-K d/b/a The Home Option by Harden Healthcare is licensed as a home care organization providing home health services in Anderson, Jefferson, Knox, Loudon, Sevier, and Union Counties. The applicant is neither Medicare nor Medicaid certified and has not had a substantial patient load of private pay patients. The applicant's owner also holds a valid Tennessee license for another home health agency that is Medicare and Medicaid certified and has had an active caseload, Girling Health Care, Inc.

Since the relocation of a parent agency from one county to another requires a certificate of need, the applicant filed CN1209-043 to relocate from Knox County to Anderson County, which is an adjacent county within its existing service area.

The applicant has received United States Department of Labor approval to operate as an EEOICP provider and believes this relocation will permit it to better serve this special population. Its proposed

office will be located in the same office complex as the US Department of Labor EEOICP Service Center in Oak Ridge.

Executive Director Justification -

Need- The need to relocate the agency from Knox County to Anderson County is met since the applicant plans to focus 85% of its business on the EEOICP special needs population. This new focus should significantly increase the number of patients served by this agency, which could then require more office space that is not available at the current location.

Economic Feasibility-The project will be funded though the cash reserves of Girling Health Care, Inc. through inter-company transfers. The applicant projects a positive net income in year one of the project.

Contribution to the Orderly Development of Health Care-The project does contribute to the orderly development of health care since it appears that the relocation could benefit both patients and staff since the administrative offices will be closer to the EEOICP Service Center, which is one of only ten resource centers operated by the U.S. Department of Labor. The approval of this application would not result in the duplication of services since this is an existing licensed agency and the service area will not change.

Based on these reasons, I recommend that the Agency approve certificate of need application CN1209-043.

Statutory Citation -TCA 68-11-1608. Review of applications -- Report

(d) The executive director may establish a date of less than sixty (60) days for reports on applications that are to be considered for a consent or emergency calendar established in accordance with agency rule. Any such rule shall provide that, in order to qualify for the consent calendar, an application must not be opposed by any person with legal standing to oppose and the application must appear to meet the established criteria for the issuance of a certificate of need. If opposition is stated in writing prior to the application being formally considered by the agency, it shall be taken off the consent calendar and placed on the next regular agenda, unless waived by the parties.

Rules of the Health Services and Development Agency - 0720-10-.05 CONSENT CALENDAR

- (1) Each monthly meeting's agenda will be available for both a consent calendar and a regular calendar.
- (2) In order to be placed on the consent calendar, the application must not be opposed by anyone having legal standing to oppose the application, and the executive director must determine that the application appears to meet the established criteria for granting a certificate of need. Public notice of all applications intended to be placed on the consent calendar will be given.
- (3) As to all applications which are placed on the consent calendar, the reviewing agency shall file its official report with The Agency within thirty (30) days of the beginning of the applicable review cycle.
- (4) If opposition by anyone having legal standing to oppose the application is stated in writing prior to the application being formally considered by The Agency, it will be taken off the consent calendar and placed on the next regular agenda. Any member of The Agency may state opposition to the application being heard on the consent calendar, and if reasonable grounds for such opposition are given, the application will be removed from the consent calendar and placed on the next regular agenda.
 - (a) For purposes of this rule, the "next regular agenda" means the next regular calendar to be considered at the same monthly meeting.
- (5) Any application which remains on the consent calendar will be individually considered and voted upon by The Agency.

HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING NOVEMBER 14, 2012 APPLICATION SUMMARY

NAME OF PROJECT: Girling Health Care Services of Knoxville, Inc. d/b/a

The Home Option by Harden Healthcare

PROJECT NUMBER: CN1209-043

ADDRESS: 800 Oak Ridge Turnpike, Suite A-208

Oak Ridge (Anderson County), Tennessee 37830

<u>LEGAL OWNER:</u> Harden Healthcare, LLC

1703 West Fifth Street, Suite 800

Austin (Travis County), Texas 78703

OPERATING ENTITY: NA

CONTACT PERSON: Michael D. Brent

615-252-2361

DATE FILED: September 7, 2012

PROJECT COST: \$116,160.00

FINANCING: Cash Reserves

REASON FOR FILING: Relocate parent office of an existing, licensed home

care organization offering home health services from its present location in Knox County to a new location

in Anderson County

DESCRIPTION:

Girling Health Care Services of Knoxville, Inc. (GHCS-K) is an existing, licensed home care organization offering home health services. The applicant seeks authorization to relocate its existing parent office from The Stokely Building, 320 North Cedar Bluff Suite 360, Knoxville (Knox County) to leased office space at 800 Oak Ridge Turnpike, Suite A-208, Oak Ridge (Anderson County). If approved the current home office in Knox County will become a branch office. The major focus of GHCS-K will be to provide home health services to individuals eligible for health care services under the Energy Employees

Occupational Illness Compensation Program (EEOICP) which was implemented by the United States Department of Labor.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

This criterion does not apply.

- 2. For relocation or replacement of an existing licensed health care institution:
 - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

The applicant stated that rather than expanding the home office in Knox County it was a more logical choice to relocate the home office to Oak Ridge in Anderson County where there are four EEOCIP –covered facilities in the area as well as the large medical community already in place that caters to sick and injured nuclear workers. The applicant also maintains that by only keeping a branch office in Anderson County the result would be duplicative record-keeping with the home office in Knox County.

It appears that the application <u>meets</u> this criterion.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

The applicant believes there is a growing need for individuals enrolled in EEOCIP as evidenced by the increasing number of applications filed under the EEOICP programs.

It appears that the application meets this criterion.

- 3. For renovation or expansions of an existing licensed health care institution:
 - a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

This criterion does not apply.

b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

This criterion does not apply.

SUMMARY

Girling HealthCare Services of Knoxville, Inc.'s (GHCS-K) service area includes six (6) east Tennessee counties: Anderson, Jefferson, Knox, Loudon, Sevier, and Union.

The applicant states EEOICP provides health benefits to eligible Department of Energy nuclear weapons workers. Many of these individuals suffer from higher incidences of Beryllium disease, Silicosis, various cancers and other diseases related to exposure to uranium and other substances than the general population. The applicant states that services to these individuals include but are not limited to disease management and education, catheter and ostomy management and education, injections and IV therapies, pain management, oxygen assessment and management, respiratory hygiene education, wound There are ten "Resource care, and nutritional assessment and education. Centers" operated by the Department of Labor (DOL) as part of EEOICP, including one in Oak Ridge which serves the southeastern US. A substantial number of individuals who are eligible for EEOICP benefits are former employees of the Oak Ridge National Laboratory (ORNL) and still reside in the area surrounding Oak Ridge, as over 30% of the claims by EEOICP beneficiaries originate in East Tennessee. The applicant states that the relocation of the home office from Knoxville to Oak Ridge will enhance the ability of GHCS-K to provide home health services to EEOICP participants. The applicant also points out that the proposed relocation is in the same office complex as the "Resource Center" in Oak Ridge. The applicant stated in a follow-up email to Melanie Hill that the benefits of being in the same office complex as the "Resource Center" includes on-site training opportunities and periodic face-to-face meetings for

staff of the applicant with staff of the Resource Center and the convenience for EEOICP program participants of having government, legal, medical, and home care resources in one office complex. In the same email the applicant stated that if the proposed project is not approved GHCS-K would still serve the EEOICP beneficiaries by creating a branch office in Anderson County and maintaining the home office in Knox County; however in this scenario the home office in Knox County would be required to maintain certain records related to the EEOICP services, which would be duplicative of records kept in the branch office in Anderson County. If the proposed project is approved and the Anderson County office was the home office then the record-keeping burden would be lessened.

The proposed relocated home office in Oak Ridge will contain 1,500 square feet in existing space in a multi-tenant building. Annual rent will be approximately \$24,000.

The applicant states that GHCS-K has provided home health services since the 1980s. GHCS-K has a "sister" agency Girling Health Care, Inc (GHC). GHC is a separately licensed home health agency that is a Medicare and Medicaid certified agency. According to its 2011 Joint Annual Report GHC performed 42,113 visits to Medicare beneficiaries providing home health aide, medical social services, occupational therapy, physical therapy, skilled nursing, and speech therapy. The applicant, GHCS-K is neither Medicare nor Medicaid certified and provides services to patients with commercial insurance, private pay, and other payor sources such as EEIOCP.

In 2007 GHC and GHCS-K were acquired by Harden Home Health, LLC which is ultimately owned by Harden Healthcare Holdings, Inc. GHC and GHSC-K are the only Harden Healthcare facilities providing licensed health care services in Tennessee. According to the Harden Healthcare website, Harden Healthcare serves a range of healthcare needs, including rehabilitation, home healthcare, assisted living, skilled nursing, hospice care, pharmacy services and nurse practitioners for the long-term care industry and has locations in fourteen states.

Based upon population information from the Tennessee Department of Health, the total population of the 6-county service area is expected to increase by approximately 3.1% from 714,101 residents in 2012, to 736,023 residents in 2016. The applicant has stated that there is no source of information that identifies the actual number of EEIOCP eligible individuals residing in the service area. The applicant did state that as of September 16, 2012 there were a total of 13,851 individuals in Tennessee filing claims under the EEOICP program. Oak Ridge

National Laboratory has 4,172 individuals filing claims under the EEOICP program.

There is only one other known home health agency located in the service area that is licensed to serve EEOICP eligible individuals, Professional Case Management of Tennessee (PCM). Professional Case Management obtained a CON (CN0708-065) at the November 14, 2007 Agency meeting to establish a home care organization and initiate home health services limited to eligible individuals in the EEOICP program. PCM is licensed to serve Anderson, Campbell, Knox, Loudon, Morgan, Roane, Scott, and Union Counties. The counties that overlap with the applicant are Anderson, Knox, Loudon, and Union. The applicant is licensed to serve Jefferson and Sevier Counties which are counties in which PCM is not licensed.

While this application is not for the initiation of a new home health agency or the addition of counties to its service area, the following select operating statistics for another agency are displayed for informational purposes in the table below.

Select Operating Statistics for Professional Case Management, 2009-2011

Variable	2009	2010	2011
Patients	45	88	127
Hours of Service	58,468	157,423	259,000
Gross Revenue	\$3,715,803	\$10,139,238	\$18,119,800

The breakdown in hours of service for PCM in 2011 is 205,000 hours of skilled nursing, 30,000 hours of physical therapy, and 24,000 hours of medical social services. PCM's patient origin was 42 patients from Anderson County, 31 patients from Knox County, 8 patients from Loudon County, and 1 patient from Union County.

The applicant states that GHCS-K will primarily serve EEOICP patients and will account for 85% of its business. Another 10% of its business will be non-medical home care services to patients who will pay out of pocket or via long-term care insurance. Another 5% of its business is expected to be from EEOICP patients who will choose to sign up for services above and beyond their approved amount through the EEOICP and will have to pay privately. According to the 2009-2012 JARs for home health agencies GHCS-K served one patient in 2010 and one patient in 2012. The applicant's projected volumes are displayed in the chart below:

Girling Health Care Services-Knoxville Projected Home Health Volumes

Variable	2012	2013	2014	2015
Patients	6	44	72	117
Hours	6,240	45,760	74,589	121,580

Per the Projected Data Chart, GHCS-K projects net operating revenue (NOR) of \$1,455,500 (\$31.80/hour or \$33,068/patient) in year one (2013) increasing by approximately 17.9% to an NOR of \$1,715,000 (\$23.00/hour or \$23,819/patient) in 2014. Net Operating Income is projected to be \$414,878 (27.7% of Gross Operating Revenue) in 2013 and \$524,270 (29.1% of Gross Operating Revenue) in 2014. The applicant will not be Medicare or Medicaid certified.

Because of the limited activity by GHCS-K for the past three years (2009-2011) a Historical Data Chart was not submitted. The applicant's forecasted staffing pattern is displayed in the chart below:

Position	Year 1	Year 2	
Administrator	1	1	
RN Case Manager	3	3	
Field RN Case Manager	2	2	
Intake Coordinators	2	1	
Staff RNs	5	12	
Staff LPNs	15	25	
Staff HHA/CNA	30	55	
TOTAL	58	99	

According to a September 19, 2012 letter from Girling Health Care, Inc.'s Chief Financial Officer, funding for the project will be provided from cash reserves and/or cash flow from operations of Girling Health Care, Inc., an affiliate of the applicant, through routine inter-company transfers on an as needed basis. The June 30, 2012 unaudited Consolidated Balance Sheet for Girling Health Care, Inc. shows Cash and cash equivalents of \$876,343.

The Project's Total Cost is \$116,160. The major portion of the project's cost is the home office lease expense for three years of \$71,160.

The applicant has submitted the required corporate documentation and real estate documents. HSDA staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency's office.

Should the Agency vote to approve this project, the CON would expire in two years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need for this applicant.

<u>CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA</u> FACILITIES:

There are no Letters of Intent, denied applications, or outstanding Certificates of Need for other health care organizations in the service area proposing this type of service.

Pending Applications

CN1210-049, Critical Nurse Staffing, Inc., is scheduled to be heard at January 23, 2013 Agency meeting for the establishment of a home care organization and initiation of home health services limited to patients who qualify for benefits under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA) or the Federal Black Lung Program residing in Anderson, Campbell, Knox, Loudon, Monroe, Morgan, Roane, and Union Counties. Estimated Project Cost is \$155,937.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

MAF 11/05/2012

LETTER OF INTENT

4 AM 8 12 LETTER OF INTENT

TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Knoxville News Sentinel which is a newspaper
of general circulation in Anderson, Jefferson, Knox, Loudon, Sevier & Union (Name of Newspaper), Tennessee, on or before September 4 (County), (Month / day) (Year)
for one day. (County) (Month / day) (Year)
This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency,
that: Girling Health Care Services of Knoxville, Inc. d/b/a The Home Option by Harden Healthcare, a home care organization providing home health services
(Name of Applicant) (Facility Type-Existing)
owned by Harden Home Health, LLC with an ownership type of corporation
and to be managed by: Girling Health Care Services of Knoxyille, Inc. intends to file an application for a Certificate of Need
for [PROJECT DESCRIPTION BEGINS HERE]:
for the relocation of its parent office from its current location at The Stokely Buliding, 320 North Cedar Bluff, Suite 360, Knoxville, Tennessee 37923, to the leased office space at 800 Oak Ridge Turnpike, Suite A-208, Oak Ridge, Tennessee 37830. The current service area of Anderson, Jefferson, Knox, Loudon, Sevier and Union Conuties will not be changed, and all counties will be served from the new home office location in Anderson County, and the existing Knox County office will become a branch office. The estimated project cost is \$116,160.
The anticipated date of filing the application is: September 7 , 20 12
The contact person for this project is Michael Brent Attorney
(Contact Name) (Title)
who may be reached at: Bradley Arant Boult Cummings, LLP 1600 Division Street, Suite 700 (Address)
Nashville TN 37203 615/252-2361
(City) (State) (Zip Code) (Area Code / Phone Number)
10000
(Signature) (Date) (F-mail Address)
(Signature) (Date) (E-mail Address)
The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address: Health Services and Development Agency Andrew Jackson Building 500 Deaderick Street, Suite 850 Nashville, Tennessee 37243
The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to appear a Cortificate of Need application wishing to appear a Cortificate of Need application.
care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency

HF0051 (Revised 05/03/04 ~ all forms prior to this date are obsolete)

the application by the Agency.

ORIGINAL APPLICATION

1.	Name of Facility, Agency, or Institution								
	Girling Health Care Services of Knoxville, Inc.								
	Name								
	800 Oak Ridge Turnpike, Suite A-208 Street or Route County								
	County The State of the State o								
	City State Zip Code								
2.	Contact Person Available for Responses to Questions								
	Michael D. Brent Name Attorney Title								
	Bradley Arant Boult Cummings								
	1600 Division Street, Suite 700 Nashville TN 37203 Street or Route City State Zip Code								
	Attorney 615-252-2361 615-252-6361 Association with Owner Phone Number Fax Number								
3.	Owner of the Facility, Agency or Institution								
	Harden Healthcare, LLC								
	Name Phone Number								
	1703 West Ffth Street, Suite 800 Street or Route County								
	Austin County TX 78703								
	City State Zip Code								
4.	Type of Ownership of Control (Check One)								
	A. Sole Proprietorship B. Partnership C. Limited Partnership D. Corporation (For Profit) E. Corporation (Not-for-Profit) F. Government (State of TN or Political Subdivision) Joint Venture Limited Liability Company Other (Specify)								

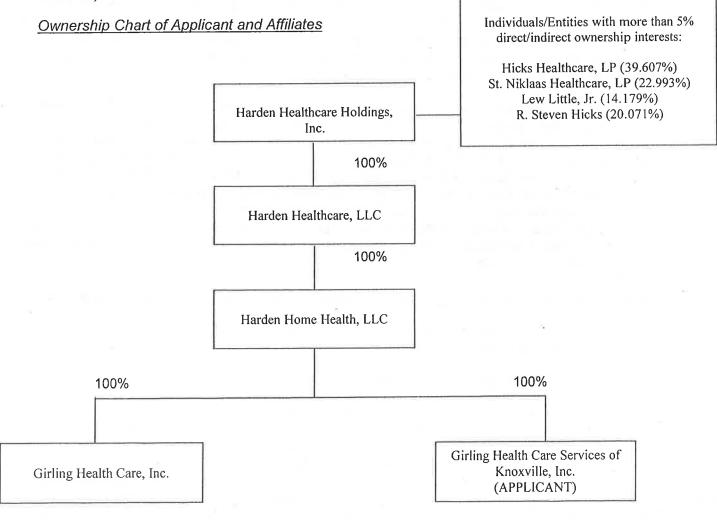
PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

5.	Name of Management/Operating Entity (If Applicable)									
	Not Applicable Name Street or Route City State Zip Code									
	City			SI	ate Zip Code					
*		T ALL ATTACHMENTS AT TH FERENCE THE APPLICABLE IT				R AND				
6.	Lec	gal Interest in the Site of the Ins	titution (Chec	k One)					
	A. B. C.	Ownership Option to Purchase Lease of 3 Years		D. E.	Option to Lease Other (Specify)	# 14mg				
		FALL ATTACHMENTS AT THE FERENCE THE APPLICABLE IT				R AND				
7.	Typ	e of Institution_(Check as appr	opriate	more	than one response may apply)				
	A. B. C. D. E. F. G. H.	Hospital (Specify) Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty ASTC, Single Specialty Home Health Agency Hospice Mental Health Hospital Mental Health Residential Treatment Facility Mental Retardation Institutional		I. J. K. L. M. N.	Nursing Home Outpatient Diagnostic Center Recuperation Center Rehabilitation Facility Residential Hospice Non-Residential Methadone Facility Birthing Center Other Outpatient Facility					
		Habilitation Facility (ICF/MR)	19/41	Q.	Other (Specify)	Indu (C.Y.)				
8.	<u>P</u> ur	pose of Review (Check) as appr	opriate	more	e than one response may apply	()				
	A. B. C. D.	New Institution Replacement/Existing Facility Modification/Existing Facility Initiation of Health Care Service as defined in TCA §	70	G.	County THE APPLICATION IN ORDER AND ON ALL ATTACHMENTS. THE APPLICATION IN ORDER AND Other (Specify) THE APPLICATION IN ORDER AND ON ALL ATTACHMENTS. THE APPLICATION IN ORDER AND ON ALL ATTACHMENTS. Than one response may apply) Nursing Home Outpatient Diagnostic Center Recuperation Center Rehabilitation Facility Residential Hospice Non-Residential Methadone Facility Birthing Center Other Outpatient Facility (Specify) Other (Specify) Than one response may apply) Change in Bed Complement [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation] Change of Location Other (Specify)					
	E. F.	68-11-1607(4) (Specify) Discontinuance of OB Services Acquisition of Equipment	1911 145.00 140.00	H. I.	Change of Location Other (Specify) Relocation of Home Office					

9.	Bed Complement Data Please indicate current and proposed distribution and certification of facility beds.
	A. Medical B. Surgical C. Long-Term Care Hospital D. Obstetrical E. ICU/CCU F. Neonatal G. Pediatric H. Adult Psychiatric J. Child/Adolescent Psychiatric J. Child/Adolescent Psychiatric J. Nursing Facility Level 1 (Medicaid only) N. Nursing Facility Level 2 (Medicare only) D. Nursing Facility Level 2 (Medicare) F. ICF/MR G. Adult Chemical Dependency R. Child and Adolescent Chemical Dependency S. Swing Beds T. Mental Health Residential Treatment U. Residential Hospice TOTAL *CON-Beds approved but not yet in service
10.	Medicare Provider Number none (see below for provider number of affiliated entity) Certification Type
11.	Medicaid Provider Number none (see below for provider number of affiliated entity) Certification Type
12.	If this is a new facility, will certification be sought for Medicare and/or Medicaid? No
13.	Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? No. If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract. Discuss any out-of-network relationships in place with MCOs/BHOs in the area.
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Section A, Item 4 - Ownership

Girling Health Care Services of Knoxville, Inc. ("GHCS-K," "Facility" and/or "Applicant") is a Tennessee corporation licensed and doing business in the state of Tennessee (Tennessee Department of Health License Number 148). GHSC-K is a home care organization providing home health services since the 1980s, with its current location at The Stokely Building, 320 North Cedar Bluff, Suite 360, Knoxville (Knox County), Tennessee 37923, and has filed this application seeking approval to relocate its home office from the above location to 800 Oak Ridge Turnpike, Suite A-208, Oak Ridge (Anderson County), Tennessee 37830. Anderson County is contiguous to Knox County, and is one of the six counties in the current service area of the Applicant (Anderson, Jefferson, Knox, Loudon, Sevier and Union counties). Since November, 2007, GHSC-K has been a wholly owned subsidiary of Harden Home Health, LLC ("HHH"). GHCS-K has a "sister agency, "Girling Health Care, Inc. ("GHC"), which also became a wholly owned subsidiary of HHH in 2007. GHCS-K maintains a "d/b/a" of The Home Option by Harden Healthcare. HHH is a wholly owned subsidiary of Harden Healthcare, LLC, and Harden Healthcare, LLC is, in turn, a wholly owned subsidiary of Harden Healthcare Holdings, Inc. Harden Healthcare Holdings, Inc. has numerous shareholders, as shown on the chart below. The entire Harden Healthcare family of affiliated entities is sometimes referred to as "Harden" in this application. Since its acquisition of GHCS-K and GHC, HHH has maintained the existence of both entities, as they have always been separate licensed home health providers, with only GHC needing a provider number, utilizing a business strategy that is not uncommon for home health providers, i.e., the operation of a separately licensed agency for "Medicare and Medicaid business," as compared to commercial, "private pay" or other payor sources. While the service area of GHC is larger than that of GHCS-K, the service area of GHC includes all six counties in the service area of GHCS-K (Anderson, Jefferson, Knox, Loudon, Sevier and Union counties).



GHC is the only affiliate of the Applicant (or of any HHH facility) providing licensed health care services in Tennessee. Because of the close affiliation of GHCS-K and GHC, and the lack of recent substantial activity of GHCS-K, many of the charts and schedules contained in this application are presented twice - first, only for GHCS-K (which on some charts show no data), and second for the combined operations, including GHC. The address of GHC is The Stokely Building, 320 North Cedar Bluff, Suite 360, Knoxville, Tennessee 37923, and GHC has one branch office, located at 549 Dolly Parton Parkway, Sevierville, Tennessee 37862. The Tennessee Department of Health License Number for GHC is 149, and its provider numbers are 44-7461 (Medicare) and 003006716 (Medicaid).

Section A, Item 5 - Experience

GHCS-K and its Harden affiliates collectively serve approximately 36,000 patients a day, through a continuum of care that includes skilled home health, non-skilled community based home care, hospice and long-term care services, across 14 states. More detailed information as to the various Harden affiliates and services can be found at www.hardenhealthcare.com.

GHCS-K has applied for and is now a licensed provider in the "Energy Employees Occupational Illness Compensation Program," known as "EEOICP," which was implemented by the United States Department of Labor ("DOL"). EEOICP provides health benefits to eligible Department of Energy nuclear weapons workers (including employees, former employees, contractors and subcontractors), often referred to as "Cold War Patriots"), including workers in nuclear weapons production and testing programs, uranium miners, millers and ore transporters. Many of these "Cold War Patriots" suffer from higher incidences of Beryllium disease, Silicosis, various cancers and other disease related to exposure to uranium and other substances, than the general population. Detailed information about the program can be found at http://www.dol.gov/owcp/energy/index.htm. The provider number for GHCS-K's participation in the EEOICP program is 616896800.

There are ten "Resource Centers" operated by the DOL as a part of EEOICP, including one in Oak Ridge, Tennessee, due to the large number of individuals in Oak Ridge and the surrounding area who are eligible for EEOICP. Many of those individuals are retired former employees of the Oak Ridge National Laboratory ("ORNL"), a multi-program science and technology laboratory of the U.S. Department of Energy, and various vendors and contractors of ORNL. Although the City of Oak Ridge and Anderson County are already within the six county service area of the Applicant, a relocation of the Applicant's home office from Knoxville to Oak Ridge will enhance the ability of the Applicant to provide home health services to the increasing number of "Cold War Patriots" who are participants in EEOICP and reside in the service area, as well as other individuals.

Question 6 – TennCare Managed Care Organizations/Behavioral Health Organizations:

A copy of the lease for the relocation space of GHCS-K in Oak Ridge is attached at Attachment A-6 – Applicant Profile, Item 6 - Lease.

Questions 10 and 11 - Provider Numbers

As a provider of only commercial, "private pay" and other "non-Medicare" services, GHCS-K is required to neither maintain a Medicare provider number nor a Medicaid provider number. However, its affiliate GHC is a "Medicare and Medicaid provider," with provider numbers 44-7461 (Medicare) and 003006716 (Medicaid). EEOICP providers are reimbursed by DOL, not by CMS, and are not required to utilize a Medicare provider number. As indicated above, the DOL provider number for GHCS-K's participation in the EEOICP program is 616896800.

Question 13 – TennCare Managed Care Organizations/Behavioral Health Organizations:

GHCS-K does not provide services to TennCare participants, and therefore has no managed care contracts.

NOTE: Section **B** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. Section **C** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

RESPONSE:

GHCS-K and its sister agency, GHC, are both home care organizations providing home health services in East Tennessee since the 1980s, and have maintained both of their home offices in Knoxville. In 2007 both entities became wholly owned subsidiaries of Harden Home Health, LLC. Since that transaction in 2007 Harden has continued to utilize the same business strategy as the "Girling family" of companies did before the sale to Harden, similar to a strategy that many other home health providers find beneficial, which involves maintaining a separate corporate existence, and separate licensure, of two affiliated subsidiaries. Under that strategy, there is a separately licensed agency for "Medicare and Medicaid business," and a separately licensed agency for commercial, "private pay" or other payor sources. One of those other payor sources is in the "Energy Employees Occupational Illness Compensation Program," known as "EEOICP," which was implemented by the United States Department of Labor ("DOL").

GHCS-K has applied for and is now a licensed EEOICP provider (provider number 616896800). EEOICP provides health benefits to eligible Department of Energy nuclear weapons workers (including employees, former employees, contractors and subcontractors), often referred to as "Cold War Patriots"), including workers in nuclear weapons production and testing programs, uranium miners, millers and ore transporters. Many of these "Cold War Patriots" suffer from higher incidences of Beryllium disease, Silicosis, various cancers and other disease related to exposure to uranium and other substances, than the general population. There are ten "Resource Centers" operated by the DOL as a part of EEOICP, including one in Oak Ridge, Tennessee, which serves the southeastern USA. A substantial number of the "Cold War Patriots" who are eligible for EEOICP benefits are former employees of the Oak Ridge National Laboratory ("ORNL"), and still reside in the area surrounding Oak Ridge, as over 30% of the claims by EEOICP beneficiaries originate in East Tennessee.

Although the City of Oak Ridge and Anderson County are already within the six county service area GHCS-K has maintained since the 1980s, a relocation of the GHCS-K home office from Knoxville to Oak Ridge will enhance the ability of GHCS-K to provide home health services to the increasing number of "Cold War Patriots" who are participants in EEOICP and reside in the service area, as well as other individuals (GHCS-K's proposed relocation site is in the same office complex as the Oak Ridge Resource Center). GHC will continue its home office at the current Knoxville location, and GHCS-K will make its current Knoxville location a branch office.

As a relocation to an adjacent county, GHCS-K will not make any changes to the ownership structure or service area as they currently exist. GHCS-K has become a licensed provider in the EEOICP program to assist the growing number of "Cold War Patriots," as well as others, who require home health services in the existing service area. As proven long-time providers in the area, GHCS-K and GHS (as well as their other affiliates in the Harden family, who collectively serve approximately 36,000 patients a day, through a continuum of care that includes skilled home health, non-skilled community based home care, hospice and long-term care services across 14 states) have the resources and abilities to provide these home health services in the service area.

- II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.
 - A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

RESPONSE:

The project does not involve a facility, as it involves only the relocation of the home office of a home health agency. The space proposed for the relocation is approximately 1,500 square feet of existing space in a multi-tenant building, located at 800 Oak Ridge Turnpike, Suite A-208, Oak Ridge, Tennessee, and will require no "build out" or tenant improvements, other than fresh paint and carpet. A copy of the Lease for the space is attached as Attachment A-6. The Applicant will also apply for licensure as a "Personal Support Services Agency" ("PSSA"), and will also utilized the leased space for the operation of that line of business. The rental charges for the space, per square foot, are \$15.50 in year one, \$15.81 in year two, and \$16.13 in year three.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the

reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

RESPONSE:

Not applicable. This application does not involve a facility or beds, and is only for the relocation of a home office within an existing service area, with no changes to the existing service area.

- C. As the applicant, describe your need to provide the following health care services (if applicable to this application):
 - 1. Adult Psychiatric Services
 - 2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
 - 3. Birthing Center
 - 4. Burn Units
 - 5. Cardiac Catheterization Services
 - 6. Child and Adolescent Psychiatric Services
 - 7. Extracorporeal Lithotripsy
 - 8. Home Health Services
 - 9. Hospice Services
 - 10. Residential Hospice
 - 11. ICF/MR Services
 - 12. Long-term Care Services
 - 13. Magnetic Resonance Imaging (MRI)
 - 14. Mental Health Residential Treatment
 - 15. Neonatal Intensive Care Unit
 - 16. Non-Residential Methadone Treatment Centers
 - 17. Open Heart Surgery
 - 18. Positron Emission Tomography
 - 19. Radiation Therapy/Linear Accelerator
 - 20. Rehabilitation Services
 - 21. Swing Beds

RESPONSE:

The Applicant is an existing home health agency (number 8 above), and this application is only for the relocation of a home office within an existing service area, with no changes to the existing service area.

D. Describe the need to change location or replace an existing facility.

RESPONSE:

Affiliates of Harden intend to broaden its participation in the EEOICP program described above in other parts of the country. EEOICP provides health benefits to eligible Department of Energy nuclear weapons workers throughout the country, including individuals who are retired former employees of ORNL, and the Applicant intends to begin providing services to EEOICP participants within its service area. Although the City of Oak Ridge and Anderson County are already within the six county service area of the Applicant, a relocation of the Applicant's home office from Knoxville to Oak Ridge will enhance the ability of the Applicant to provide home health services to the increasing number of participants in EEOICP who reside in the service area, as well as other individuals.

- E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:
 - 1. For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 - 1. Total cost; (As defined by Agency Rule).
 - 2. Expected useful life;
 - 3. List of clinical applications to be provided; and
 - 4. Documentation of FDA approval.
 - b. Provide current and proposed schedules of operations.
 - 2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
 - 3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

RESPONSE:

Not applicable. The project does not involve the acquisition of any major medical equipment as defined by HSDA rules.

- III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which must include:
 - Size of site (in acres);
 - 2. Location of structure on the site; and
 - 3. Location of the proposed construction.
 - 4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for <u>all</u> projects.

RESPONSE:

Please see Attachment B.III.(A)

(B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

RESPONSE:

As a home health provider, the Applicant will not be providing services to patients at its office, and therefore does not believe accessibility of the proposed home office is applicable.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: **DO NOT SUBMIT BLUEPRINTS**. Simple line drawings should be submitted and need not be drawn to scale.

RESPONSE:

Please see Attachment B.IV.

- V. For a Home Health Agency or Hospice, identify:
 - 1. Existing service area by County;
 - 2. Proposed service area by County:
 - A parent or primary service provider;
 - 4. Existing branches; and
 - 5. Proposed branches.

RESPONSE:

The Applicant is an existing home health agency, and this application is only for the relocation of a home office within its existing service area of Anderson, Jefferson, Knox, Loudon, Sevier and Union counties. There will be no changes to the existing service area. The Applicant currently has a home office at 320 North Cedar Bluff, Suite 360, Knoxville (Knox County), Tennessee 37923, and no branch offices, and has filed this application seeking approval to relocate its home office from the above location to 800 Oak Ridge Turnpike, Suite A-208, Oak Ridge (Anderson County), Tennessee 37830. If this relocation is approved, the Applicant intends to make the current Knoxville location a branch office.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria

are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

- 1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

RESPONSE:

The Guidelines for Growth, at page 41, discuss Home Health Services, as follows:

HOME HEALTH SERVICES

- The need for home health agencies/services shall be determined on a county by county basis.
- In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county.
 - The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.
- 3. Using recognized population sources, projections for four years into the future will be used.
- 4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

Based on the number of patients served by home health agencies in the service area, an estimation will be made as to how many patients could be served in the future.

- 5. Documentation from referral sources:
 - The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.
 - b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of eases by service category to be provided in the initial year of operation.
 - c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.
 - The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.
- The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.
 - a. The average cost per visit by service category shall be listed.
 - The average cost per patient based upon the projected number of visits per patient shall be listed.

Because of the close affiliation of GHCS-K and GHC, and the lack of recent substantial activity of GHCS-K, the charts below are presented twice-first, only for GHCS-K and second for the operations its affiliate GHC. These charts demonstrate utilization by GHCS-K and GHC in the service area. As noted above, HHH acquired GHSC-K and GHC as wholly owned subsidiaries in 2007, and since the primary focus of Harden has been to strengthen the delivery of skilled home health services to Medicare and Medicaid beneficiaries in the combined service area of GHSC-K and GHC. As Harden is now expanding into the EEOICP program in that service area, the Applicant believes EEOICP beneficiaries will be better served by a relocation of the GHCS-K home office from Knoxville to Oak Ridge (the proposed relocation site is in the same office complex as the Service Center site for the DOL's EEOICP program the southeast region of the US).

Girling Health Care Services of Knoxville, Inc. Service Area

County	7/1/10 - 6/30/11 Number of Patients	7/1/11 - 6/30/11 Number of Patients	7/1/11 - 6/30/12 Number of Patients
Anderson	1	0	0
Jefferson	0	0	0
Knox	0	0	0
Loudon	0	0	0
Sevier	0	0	0
Union	0	0	0
Total	1	0	0

Sources: 2010 and 2011 Joint Annual Reports for columns 1 and 2, and Applicant's internal records for column 3.

Girling Health Care, Inc. Service Area

	7/1/10 - 6/30/11 Number of	7/1/11 - 6/30/11 Number of	7/1/11 - 6/30/12 Number of
County	Patients	Patients	Patients
Anderson	85	3	*
Blount	71	87	*
Campbell	3	0	*
Claiborne	0	0	*
Cocke	38	24	*
Grainger	20	24	*
Greene	0	0	*
Hamblen	40	35	*
Jefferson	79	55	*
Knox	379	443	*
Loudon	33	40	*
McMinn :	0	0	*
Monroe	5	1	*
Morgan	0	1	*
Roane	19	16	*
Scott	0	0	*
Sevier	357	363	*
Union	1	1	*
Total	1130	1093	1031*

Counties in bold represent counties in Applicant's service area.

Sources: 2010 and 2011 Joint Annual Reports for columns 1 and 2, and GHC's internal records for column 3. The JAR for the period of 7/1/11 - 6/30/12 has not yet been finalized by GHC, and the "by county" breakdown is not yet available.

Combined Girling Health Care Services of Knoxville, Inc. and Girling Health Care, Inc.

2011/2012 Utilization Compared to the Total Utilization of All Providers in 2010

County	Patients (FYE 6/30/11)	Patients (FYE 6/30/12)	# Licensed Home Health Agencies/Total Patients Served (2010 JAR)
Anderson	3	*	23 agencies/ 2,810 patients
Blount	87	*	18 agencies/2,678 patients
Campbell	0	*	23 agencies/ 1,670 patients
Claiborne	0	*	22 agencies/1,501 patients
Cocke	24	*	18 agencies/1,184 patients
Grainger	24	*	21 agencies/552 patients
Greene	0	*	21 agencies/1,962 patients
Hamblen	35	*	20 agencies/2,083 patients
Jefferson	55	*	18 agencies/1,493 patients
Knox	443	*	24 agencies/9,512 patients
Loudon	40	*	24 agencies/1,638 patients
McMinn	0	*	23 agencies/1,514 patients
Monroe	1	*	21 agencies/1,353 patients
Morgan	1	*	24 agencies/578 patients
Roane	16	*	25 agencies/2,047 patients
Scott	0	*	20 agencies/1,051 patients
Sevier	363	*	17 agencies/2,220 patients
Union	1	*	23 agencies/464 patients

^{*} The JAR for the period of 7/1/11 - 6/30/12 has not yet been finalized by GHC, and the "by county" breakdown is not yet available; however, the total patients served for all counties for the period of 7/1/11 - 6/30/12 was 1031.

Counties in bold represent counties in Applicant's service area.

Sources: 2010 and 2011 Joint Annual Reports for columns 1 and 3, and internal records of Applicant and GHC for column 2.

b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c)

RESPONSE:

General Criterion and Standards (4)(a-c) reads as follows:

- (4) Applications for Change of Site. When considering a certificate of need application which is limited to a request for a change of site for a proposed new health care institution, the Commission may consider, in addition to the foregoing factors, the following factors:
- (a) Need. The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change the proposed new site.

- (b) Economic factors. The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.
- (c) Contribution to the orderly development of health care facilities and/or services. The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.

As to these criteria, there is no change in the service area, and the needs of area are unchanged. However, this relocation of the home office to the proposed site in Oak Ridge will be closer to the Service Center site for the DOL's EEOICP program in Oak Ridge, which is in the same office complex as the proposed relocation site, and will be more convenient for the staff of the Applicant, with less expenses that would be incurred if the Applicant was to undertake servicing the EEOICP program from the current home office in Knoxville. As the proposed relocation site is in an existing office building, there will be no delay caused by the proposed relocation.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

RESPONSE:

The long-range development plans of the Applicant and its affiliates include increasing services for participants in the EEOICP program throughout the country, and expanding into the EEOICP program for EEOICP participants living the existing service area of the Applicant, which surrounds Oak Ridge and the ORNL, contributes to those development plans.

Need

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).

RESPONSE:

Please see Attachment C. Need 3.

4. A. Describe the demographics of the population to be served by this proposal.

RESPONSE:

As shown on the chart below, there are over 714,000 people in the service area, over 10% of which are in Anderson County.

Girling Health Care Services of Knoxville, Inc.

Demographics of the Service Area

	65+				Total Population			
County	2006	2012	%65+ 2012	2016	2006	2012	2016	
Anderson	12,075	13,067	17.57%	14,206	73,578	74,373	75,016	
Jefferson	7,007	8,095	15.14%	8,845	49,337	53,483	56,061	
Knox	52,582	59,556	13.88%	67,102	411,976	429,161	440,468	
Loudon	8,498	10,503	22.21%	12,100	44,537	47,280	48,896	
Sevier	11,596	14,240	16.01%	16,563	81,351	88,941	93,612	
Union	2,289	2,761	13.23%	3,142	19,094	20,863	21,970	
Total	94,047	108,222	16.34%	121,958	679,873	714,101	736,023	

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE:

Attached as Attachment 4.B.1-Need is a brief narrative summary, provided by the DOL, as to how a qualified claimant under the EEOICP program obtains medical benefits under the program (which is administered by DOL, rather than another Federal Agency such as CMS).

Attached collectively as Attachment 4.B.2-Need are several "PowerPoint Slides" from the DOL, outlining the EEOICP program.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

RESPONSE:

There are 28 licensed home health agencies (not including GHC and GHCS-K) with the ability to serve the six counties of the Applicant's service area, as shown below (with the numbers in the six "County columns" detailing patients served by home health providers during the fiscal year ended June 30, 2010):

Home Health Agencies and Patients Served in Applicant's Service Area

Agency Name (Base County)	Anderson	Jefferson	Knox	Loudon	Sevier	Union
Clinch River Home Health (Anderson)	259		201			1
Professional Case Management of TN (Anderson)	46		22	6		
Blount Memorial Hospital Home Health (Blount)	0		13	53	32	0
Home Health Care of East TN (Bradley)				510		
Sunbelt Homecare (Campbell)	22		0	0		0
Amedisys Home Health of TN (Claiborne)						202
Smoky Mountain Home Health & Hospice (Cocke)		137			4	
Elk Valley Health Services (Davidson)	6	1	11	3	2	1
Home Care Solutions (LHC HomeCare of TN) (Davidson)	6	2	90	76	0	0
Quality Home Health (Fentress)	83		482	103		
Amedisys Home Health Care (Hamblen)	0	38	0			4
Premier Support Services (Hamblen)	1	74	7	0	8	0
Amedisys Home Health (Hamilton)	0			264		
Advanced Home Care (Greene)			1			
Amedisys Home Health Care (Knox)	898	646	1,239	0	467	0
Camellia Home Health of East TN (Knox)	159	77	635	38	110	21
CareAll Home Care (Knox)		8	144	9		
Covenant Homecare (Knox)	708	123	1,408	275	554	6
East TN Children's Hospital Home Health (Knox)	78	46	450	33	72	26
Gentiva Health Services (Knox)	36	7	575	43	15	1
Girling Health Care Services of Knoxville (Knox)	1		0			
Girling Health Care, Inc. (Knox)	85	79	379	33	357	1
Maxim Healthcare (Knox)	10	2	56	4	7	2
Mercy Home Care (formerly St. Mary's)(Knox)	209	218	2,374	45	270	165
NHC Homecare (Knox)	146	10	328	17	37	4
UT Medical Center Knoxville-Home Care (Knox)	53	33	936	73	285	26
NHC Homecare (McMinn)				1		
Intrepid USA Healthcare (Monroe)	4		161	26		
Sweetwater Hospital Home Health (Monroe)				26		
Amedisys Home Health (Washington)			-			4
Total	2,810	1,493	9,512	1,638	2,220	464

Source: 2010 Joint Annual Report

The Applicant notes that in 2007 the HSDA approved an application filed by Professional Case Management of Tennessee (CN0708-065) for the establishment of a home health agency and the initiation of home health services to serve patients in the counties of Anderson, Campbell, Knox, Loudon, Morgan, Roane, Scott and Union, limited to only beneficiaries of the EEOICP program. While that agency serves only EEOICP beneficiaries, GHCS-K, and its affiliate GHC, have the ability to serve all beneficiaries in the service area, regardless of payor source and home care needs. GHCS-K will provide home health care services through RNs, LPNs, CNAs and HHAs, ensuring that patients receive "the right care at the right time." Additionally, this approach ensures good stewardship of the Federal resources devoted to the EEOICP program.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE:

Recent utilization by GHC and GHCS-K within the six counties of the Applicant's service area, is as shown below:

Applicant's 2011/2012 Utilization Compared to the Total Utilization of All Providers in 2010

County	Patients (FYE 6/30/11)	Patients (FYE 6/30/12)	# Licensed Home Health Agencies/Total Patients Served (2010 JAR)
Anderson	0	0	23 agencies/ 2,810 patients
Jefferson	0	0	18 agencies/1,493 patients
Knox	0	0	24 agencies/9,512 patients
Loudon	0	0	24 agencies/1,638 patients
Sevier	0	0	17 agencies/2,220 patients
Union	0	0	23 agencies/464 patients

Sources: Applicant's internal records and 2011 and 2010 Joint Annual Reports.

GHC 2011/2012 Utilization Compared to the Total Utilization of All Providers in 2010

County	Patients (FYE 6/30/11)	Patients (FYE 6/30/12)	# Licensed Home Health Agencies/Total Patients Served (2010 JAR)
Anderson	3	*	23 agencies/ 2,810 patients
Blount	87	*	18 agencies/2,678 patients
Campbell	0	*	23 agencies/ 1,670 patients
Claiborne	0	*	22 agencies/1,501 patients
Cocke	24	*	18 agencies/1,184 patients
Grainger	24	*	21 agencies/552 patients
Greene	0	*	21 agencies/1,962 patients
Hamblen	35	*	20 agencies/2,083 patients
Jefferson	55	*	18 agencies/1,493 patients
Knox	443	*	24 agencies/9,512 patients
Loudon	40	*	24 agencies/1,638 patients
McMinn	0	*	23 agencies/1,514 patients
Monroe	1	*	21 agencies/1,353 patients
Morgan	1	*	24 agencies/578 patients
Roane	16	*	25 agencies/2,047 patients
Scott	0	*	20 agencies/1,051 patients
Sevier	363	*	17 agencies/2,220 patients
Union	1	*	23 agencies/464 patients

^{*} The JAR for the period of 7/1/11 - 6/30/12 has not yet been finalized by GHC, and the "by county" breakdown is not yet available; however, the total patients served for all counties for the period of 7/1/11 - 6/30/12 was 1031.

Counties in bold represent counties in Applicant's service area.

Sources: GHC's internal records and 2010 and 2011 Joint Annual Reports

To project its utilization for the future, the Applicant relied on experiences and data related to the EEOICP program in other areas of the US.

ECONOMIC FEASIBILITY

- 1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
 - All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
 - The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- For projects that include new construction, modification, and/or renovation;
 documentation must be provided from a contractor and/or architect that support the estimated construction costs.

RESPONSE:

The Project Costs Chart is self-explanatory, but the applicant would note that the cost of the lease is based on the total amount of the lease payments over the initial term of the lease, as that amount is greater than the applicable percentage of the total area of the multi-tenant building which will be subject to the lease, when using the appraised value of the Anderson County Tax Assessor's Office for the "fair market value" of the building, as shown on Attachment C. Economic Feasibility-1.

2. Identify the funding sources for this project.

Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions; B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance; C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting. D. Grants--Notification of intent form for grant application or notice of grant award; or E. Cash Reserves--Appropriate documentation from Chief Financial Officer. ✓ F. Other—Identify and document funding from all other sources. П

RESPONSE:

The cost of this project will be paid through cash flow from operations and/or cash reserves of the Applicant and its affiliates, as noted in the letter from the CFO of Harden, which is attached as Attachment C. Economic Feasibility-2.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

RESPONSE:

The proposed project costs for the relocation of the current office are reasonable in relation to comparable office relocations over the past several years. Many home health

agencies are located in multi-tenant office buildings, and the \$15.50 per square foot lease expense (for year one, with small escalations in subsequent years), is reasonable for such office space.

Projected Data Charts on the following two pages--Do not modify the Charts provided or submit Chart substitutions! Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

RESPONSE:

Please see Attachment C. Economic Feasibility-4. Historical and Projected Data Charts.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

RESPONSE:

The anticipated charges for the Applicant under the EEOICP program are set forth on Attachment C. Economic Feasibility-4. EEOICP Fee Schedule Analysis. The amounts in such Schedule Analysis were utilized to create the Attachment C. Economic Feasibility-4. EEOICP Case Mix Analysis, which represents the anticipated participation in the EEOICP program by the Applicant in 2013, for total gross revenues of approximately \$1,500,000 in 2013, which is anticipated to increase to \$1,800,000 in 2014 as the Applicant increases its participation in the EEOICP program.

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

RESPONSE:

The anticipated charges for the Applicant under the EEOICP program are set forth on Attachment C. Economic Feasibility-4. EEOICP Fee Schedule Analysis. The amounts in such Schedule Analysis were utilized to create the Attachment C. Economic Feasibility-4. EEOICP Case Mix Analysis, which represents the anticipated participation in the EEOICP program by the Applicant in 2013, for total gross revenues of approximately \$1,500,000 in 2013, which is anticipated to increase to \$1,800,000 in 2014 as the Applicant increases its participation in the EEOICP program.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE:

The anticipated charges for the Applicant under the EEOICP program set forth on Attachment C. Economic Feasibility-4. EEOICP Fee Schedule Analysis comes from data provided by the DOL.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

RESPONSE:

The demonstrated needs of participants in the EEOICP program support the Applicant's business plan and projections, as officials with the EEOICP program have indicated to the Applicant that over 30% of the claims by EEOICP beneficiaries originate in East Tennessee.

As reflected in the Projected Data Chart (see Attachment C. Economic Feasibility-4.), the operating revenue and patient demand are set conservatively, and the Applicant's projections demonstrate that those levels are sufficient to operate the home health agency without losses.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

RESPONSE:

The existing needs of participants in the EEOICP program support for the Applicant's business plan and projections. The Applicant and its affiliates have sufficient cash reserves to fund the "ramp up" participation in the EEOICP program in the service area.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

RESPONSE:

As noted above, the Applicant is licensed to participate in the EEOICP program, but is not a Medicare and/or TennCare/Medicaid provider (however, GHC, as an affiliate of the Applicant, is a Medicare provider). Medically indigent patients will be provided charity care in appropriate instances, which the Applicant anticipates to be primarily in two areas. First, to potential EEOICP participants who may expire before their EEOICP benefits are approved by the DOL, and secondly, to an EEOICP beneficiary who may have home health needs unrelated to work related conditions (and therefore would not be covered by the EEOICP program) and may not have any other payment source.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

RESPONSE:

Please see Attachment C. Economic Feasibility-10 at the end of the application.

- 11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
 - a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

RESPONSE:

The relocation of the home office to Oak Ridge was the most feasible plan based on the business plan of the Applicant, and the proximity to the Service Center site for the DOL's EEOICP program in Oak Ridge.

b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

RESPONSE:

Please see response above.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

RESPONSE:

As noted above, the Applicant is licensed to participate in the EEOICP program, and will maintain its relationship with the EEOICP program.

Describe the positive and/or negative effects of the proposal on the health care system.
Please be sure to discuss any instances of duplication or competition arising from your
proposal including a description of the effect the proposal will have on the utilization rates of
existing providers in the service area of the project.

RESPONSE:

The relocation will enhance the already existing services the Applicant and its affiliate GHC provide in the service area. As an existing provider, there is no anticipated impact on other providers.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

RESPONSE:

The anticipated charges for the Applicant under the EEOICP program set forth on Attachment C. Economic Feasibility-4. EEOICP Fee Schedule Analysis and on Attachment C. Economic Feasibility-4. EEOICP Case Mix Analysis, utilize the staffing pattern of an administrator supervising three case managers, with the first manager overseeing a staff of CNAs/HHAs, the second manager overseeing a staff of LPNs, and the third manager overseeing a staff of RNs. Depending on the need at the time of the patients, the case managers will adjust their respective staffs appropriately. Field supervisors will oversee the field staff and provide supervisory visits, and case managers will interact with field staff for scheduling and clinical communication, as well as with family members and physicians. Staff compensation will be similar to the amounts paid to staff at the Applicant's affiliate, GHC.

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

RESPONSE:

The Applicant and its affiliate currently pay wages and offer benefits that are in-line with the prevailing rates of other employment opportunities in the service area, and will continue to do so. The Applicant notes that while GHC has some staff that can be shared with the Applicant, especially during the "ramp-up" period, the Applicant will recruit additional nurses, home health aides and other employees in the area Based on the experience of GHC, the Applicant does not anticipate any problems attracting additional staff as needed.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

RESPONSE:

The Applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff to the extent these requirements are applicable to home health agencies. The Applicant and its affiliates have successfully operated numerous health care providers for many years, recently including GHC in Tennessee, and has an excellent understanding of the Tennessee requirements.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

RESPONSE:

Harden and its affiliates work with a variety of education institutions to assist in the training of students in all areas of healthcare. Additionally the Harden Leadership Institute was created in 2003 to promote leadership training and excellence throughout all Harden divisions. Harden has invested and will continue to invest about \$1,500,000 per year in its leaders through the Harden Leadership Institute. A significant amount of training is also available online through Harden Learning University for clinicians and managers. Last year the program provided training to more than 400 associates of Harden company-wide.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

RESPONSE:

The Applicant and its affiliate are currently licensed and operating, and therefore have a full understanding of all state and federal requirements. The Applicant has reviewed and understands the state and federal requirements for licensure and certification for home health agencies.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure:

Accreditation:

RESPONSE:

As a relocation of a home office, there will be no change in Tennessee licensure status of the Applicant, and the Applicant will maintain the same Tennessee license it currently holds. Additionally, the Applicant has recently applied for and obtained a license from the DOL to be a provider in the EEOICP program.

(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

RESPONSE:

The current facility is licensed by the Tennessee Department of Health as a home health agency (License Number 148). A copy of the current license is attached as Attachment C. Contribution-1.

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

RESPONSE:

A copy of the most recent federal and state statements of deficiencies and plans of correction is attached as Attachment C. Contribution-2, for both GHCS-K and GHC. Neither GHCS-K nor GHC was cited for any major deficiencies. Any deficiencies have been corrected from the last survey and the Applicant is currently in compliance.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

RESPONSE:

Not applicable. There are no final orders or judgments meeting the above criteria against the Applicant, or any affiliates.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.

RESPONSE:

Neither the Applicant nor any such persons have had any civil or criminal judgments for fraud or theft rendered against them.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

RESPONSE:

If approved, the Applicant will provide the Tennessee Health Services and Development Agency with information concerning the number of patients treated, the number and type of procedures performed, and other data as required or requested. The Applicant will also provide information to the Tennessee Department of Health as part of the Joint Annual Report process or any other similar process that the Department or other reviewing agency adopts.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

RESPONSE: 2012 SEP -7 PM 3: 33

The Publication of Intent was published on Tuesday, September 4, 2012, in the Knoxville News Sentinel. A copy of the Proof of Publication is attached as Attachment C. Contribution-3.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.

RESPONSE:

Please see attached Project Completion Forecast Chart as Attachment Development Schedule 1. As the space proposed for the relocation is existing space in a multi-tenant building that will require no "build out" or tenant improvements, other than fresh paint and carpet, the Applicant projects that the relocation of the home office could occur within a matter of weeks after approval of this Application, and the relocation would be completed by December 1, 2012 (assuming this Application is heard at the meeting of the HSDA in November, 2012).

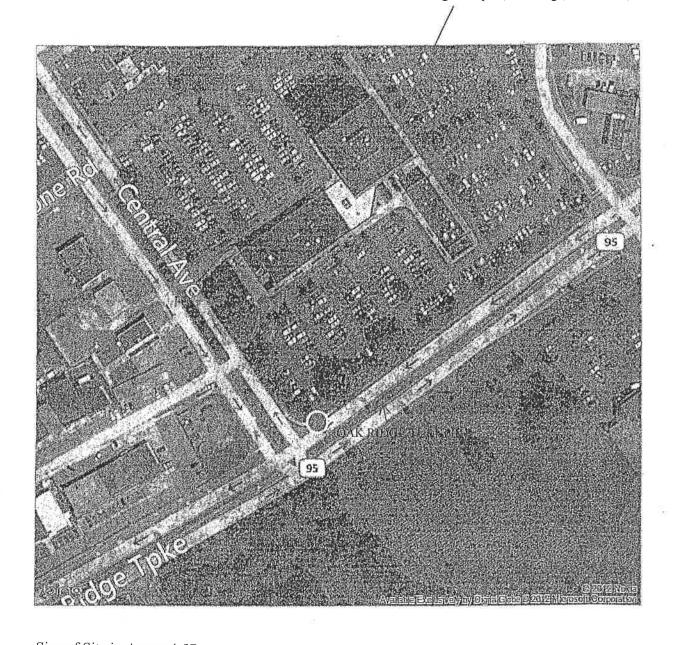
2. If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.

RESPONSE:

Not applicable. The Applicant does not anticipate requiring any extension to the period of validity.

Attachment B.III.(A)

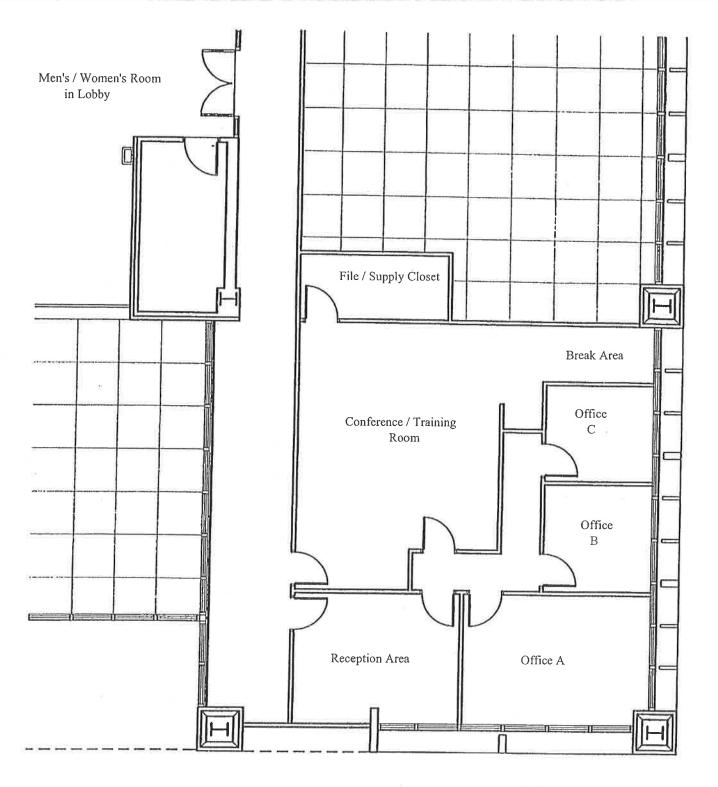
Plot Plan



Size of Site in Acres: 4.57

Attachment B.IV

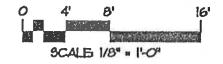
Floor Plan



JACKSON PLAZA 800 OAK RIDGE TURNPIKE OAK RIDGE, TN 37830

BUITE A-208





Attachment C. Need 3

Proposed Service Area

STATE OF TENNESSEE CLAY MACON BEDFORD SUMNER DAVIDSON WILLIAMSON ROBERTSON MAURY CHEATHAN WAYNE HOUSTON STEWART HENDERSON HARDIN HENRY SHELBY

Center for Business and Economic Research, The University of Tennessee.

Attachment 4.B.1-Need Brief Narrative Summary

General Information

As a qualified claimant under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA) administered by the U.S. Department of Labor's (DOL) Division of Energy Employees Occupational Illness Compensation (DEEOIC), you are entitled to medical benefits to cover the reasonable cost of treatment for your accepted medical illness(es). Medical benefits include those services, appliances, and supplies prescribed or recommended by a qualified physician, which are likely to cure, give relief to, or reduce the degree or the period of the accepted illness. Home health care is one of the many medical benefits you may receive for an accepted illness(es) under the EEOICPA.

This handout covers the most frequently asked questions by DEEOIC claimants regarding home health care. While this handout provides basic information about the home heath care benefits you may qualify for under the EEOICPA, it is not intended to cover every possible exception or special case, and it does not have the effect of law or regulations.

For further information about special circumstances or individual cases, please contact one of DEEOIC's Resource Centers or your claims examiner at one of DEEOIC's four District Offices. DEEOIC's Resource Centers and District Offices' contact information is listed at the end of this booklet.

What Is Home Health Care?

Home health care includes both in-home skilled nursing care, and the services of a home health aide to assist you with activities of daily living, related to your accepted illness(es). Examples of these daily activities include assistance with mobility around the house, dressing, feeding and food preparation, and accompanying you to medical appointments.

When Can I Apply for Home Health Care?

There are no restrictions on when you can apply for home health care once a work-related illness is accepted in your EEOICPA claim. However, home health care is authorized based upon the presentation of medical evidence from your treating physician confirming the need for care due to an accepted illness(es).

Do I Need Pre-Approval from the DEEOIC District Office Claims Examiner Assigned to My Claim Before Beginning to Receive Home Health Care?

Yes. Home health care services may be covered under the EEOICPA, but *pre-approval* by your DEEOIC District Office Claims Examiner is required <u>before</u> you incur the expense. Your file number should be clearly noted on any home health care request.

What Do I Need to Submit With My Request for Home Health Care?

When initially requesting home health care, the physician treating you for a work-related illness accepted in your claim will be asked to supply a letter of medical necessity or a written explanation of the care you require, called a Plan of Care. Any letter of medical necessity or Plan of Care must explain the need for in-home health care as it relates to the accepted illness(es) in your claim. Your physician is to clearly describe the following:

- The level of care required (skilled nursing care, home health aide, etc.);
- The frequency of care required (i.e., number of hours per day or week for each type or level of care); and
- The time period for which you will require in-home care.

Medical evidence presented by a physician who has not personally treated your accepted work-related illness, or who is otherwise unfamiliar with your treatment needs, is of reduced probative value in assessing home health care requests.

<u>Is a Recent Physical Examination Needed to Receive Home</u> Health Care?

Yes. DEEOIC requires your treating physician to have conducted a recent physical examination in support of any request for home health care services. A recent physical examination is defined as a face-to-face encounter between the requesting physician and the DEEOIC approved patient, within 60 days prior to the submission of a home health care authorization request. Any letter of medical necessity or Plan of Care requesting home health care must identify the name, address and telephone number of the requesting physician accompanied by his or her signature.

In addition, the physician is to submit a written narrative medical report that documents the result of the examination to include pertinent history and physical findings, specific functional limitations associated exclusively with the accepted work-related illness(es), medical rationale supporting the

requested level and duration of home health care, and a discussion of the specific duties to be performed by a home health care nurse or home health aide. The discussion should include but not be limited to the patient's particular needs regarding the administration of medication, medical monitoring, dressing changes, medical equipment checks, and activities of daily living, such as bathing and personal hygiene, meal preparation and feeding, and assistance in ambulating about the household.

Home health care authorization requests not accompanied or supported by the requested medical evidence may be delayed or denied. Submission of prescription forms, or other documentation signed by a physician who has not physically examined the patient will be of reduced probative value in assessing requests for home health care services.

Am I Free To Choose From Any Home Health Care Provider?

Yes. Once approval is granted for home health care services, you are free to choose any licensed medical provider. Moreover, you are free to change providers at any time.

How Is My Approved Home Health Care Paid?

If your home health care provider is enrolled in the

program, then the DEEOIC will pay them directly. You may also pay out-of-pocket for home health care services and then request reimbursement of these expenses.

How Can I Determine if a Home Health Care Provider is Enrolled in the Energy Employees Occupational Illness Compensation Program? A provider search feature is on the medical bill

payment agent's bill processing website:

http://owep.dol.acs-inc.com

You should also check with your home health care provider for information on whether they are enrolled in the Energy Employees Occupational Illness Compensation Program.

How Can a Home Health Care Provider Obtain Enrollment and Billing Information?

If the home health care provider you wish to use is not enrolled in the program, they may obtain enrollment and billing information by calling the medical bill payment agent toll-free at (866) 272-2682 or by contacting one of the Resource Centers listed at the end of this booklet. Enrollment forms are available on the medical bill payment agent's website:

http://owcp.dol.acs-inc.com

Does DEEOIC Recommend a Home Health Care Provider or Certify Providers That Provide Home Health Care Services? No. DEEIOC neither endorses nor sponsors any home health care provider, or any other entity providing medical services.

Once I Am Approved for Home Health Care Services, Is My Approval Permanent?

No. Approval for home health care services is not permanent. Approval for home health care services is granted for up to six-month periods and must be renewed with the submission of updated medical information from your treating physician and a new face-to-face evaluation within 60 days of reauthorization.

Can I Request Changes to An Approved Level of Home Health Care?

Yes. Changes to an approved level of home health care must be requested in writing and must be accompanied by medical documentation from your treating physician explaining the basis for any alteration in your current plan of care.

Can DEEOIC Review My Home Health Care Authorization At Any Time?

Yes. DEEOIC may conduct reviews of home health care authorizations using medical consultants, field nurses, or other forms of inquiry with your treating physician at any given time.

How Do My Home Health Care Bills Get Paid?

If your home health care provider is enrolled in the program, the DEEOIC will pay them directly.

If your home health care provider is not enrolled in the program, you may obtain reimbursement for out-of-pocket expenses for covered medical care by completing Form OWCP-915, Claim for Medical Reimbursement. In addition, you must submit the following items which are to be attached securely to the form;

- The provider's itemized billing statement;
- Receipt of payment by your provider; and
- Evidence of your method of payment

Acceptable evidence of payment includes a cash receipt, copy of your cancelled check (both front and back), or a copy of your credit card receipt.

Mail the completed Claim for Medical Reimbursement form with attachments to the medical bill payment agent at:

Energy Employees Occupational Illness Compensation Program P.O. Box 8304 London, KY 40742-8304

Who Do I Contact for Assistance with My Claim?

DEEOIC maintains four District Offices nationwide that process claims under the EEOICPA. District Offices are located in Cleveland, Ohio; Denver, Colorado; Jacksonville, Florida; and Seattle, Washington; with jurisdiction based on the location of the employee's last employment. The District Offices, including their regional jurisdiction, are listed below.

Cleveland District Office

1001 Lakeside Avenue, Suite 350

Cleveland, Ohio 44114

Main: (216) 802-1300 Fax: (216) 802-1308 Toll Free: (888) 859-7211

Serving:

Connecticut, Delaware, District of Columbia, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virgin Islands, Virginia, West Virginia and Wisconsin

Denver District Office

P.O. Box 25601

One Denver Federal Center, Bldg. 53

Denver, Colorado 80225-0601

Main: (720) 264-3060 Fax: (720) 264-3099 Toll Free: (888) 805-3389

Serving:

Arkansas, Colorado, Kansas, Louisiana, Missouri, Montana, Nebraska, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wyoming and all claims from RECA Section 5 awardees

Jacksonville District Office

400 West Bay Street, Room 722

Jacksonville, Florida 32202 Main: (904) 357-4705

Fax: (904) 357-4704 Toll Free: (877) 336-4272 Serving:

Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee

Seattle District Office

300 Fifth Avenue, Suite 1050 E Seattle, Washington 98104-2397

Main: (206) 373-6750 Fax: (206) 373-6798 Toll Free: (888) 805-3401

Serving:

Alaska, Arizona, California, Idaho, Hawaii, Marshall Islands, Nevada, New Mexico, Oregon and Washington

DEEOIC also established 11 Resource Centers nationwide to assist employees and their families in applying for benefits under the EEOICPA. If you need help with any part of your EEOICPA claim, including home health care, you may contact one of the Resource Centers. Resource Center staff provides assistance either in person or over the telephone; therefore, they are able to provide service to individuals who live outside the immediate geographical area. The Resource Center you should contact for assistance is based on the location of the employee's last employment. The Resource Centers, including their regional jurisdiction, are listed below:

California Resource Center

2600 Kitty Hawk Road, Suife 101 Livermore, California 94551 Main: (925) 606-6302 Fax: (925) 606-6303 Toll Free: (866) 606-6302

California - Hawaii

Denver Resource Center

8758 Wolff Court, Suite 101 Westminster, Colorado 80031 Main: (720) 540-4977

Fax: (720) 540-4976 Toll Free: (866) 540-4977 Colorado – Wyoming – Kansas Nebraska - Oklahoma - Iowa

Espanola Resource Center

412 Paseo De Onate, Suite "D" Espanola, New Mexico 87532 Main: (505) 747-6766 Fax: (505) 747-6765 Toll Free: (866) 272-3622

New Mexico - Texas

Hanford Resource Center

303 Bradley Blvd., Suite 104 Richland, Washington 99352

Main: (509) 946-3333

Fax: (509) 946-2009 Toll Free: (888) 654-0014

Washington - Oregon - Alaska

Idaho Resource Center

Exchange Plaza

1820 East 17th Street, Suite 250

Idaho Falls, Idaho 83404

Main: (208) 523-0158 Fax: (208) 557-0551 Toll Free: (800) 861-8608 Idaho - North Dakota - Utah

South Dakota - Uta

Las Vegas Resource Center

Flamingo Executive Park

1050 East Flamingo Rd., Suite W-156

Las Vegas, Nevada 89119

Main: (702) 697-0841 Fax: (702) 697-0843

Toll Free: (866) 697-0841

Nevada - Arizona

New York Resource Center

6000 North Bailey Avenue

Suite 2A, Box #2

Amherst, New York 14226

Main: (716) 832-6200 Fax: (716) 832-6638

Toll Free; (800) 941-3943

Maine - New Hampshire

Vermont - Massachusetts

New York - Connecticut

New Jersey - Rhode Island

Delaware - Pennsylvania

Maryland

Oak Ridge Resource Center

Jackson Plaza Office Complex

800 Oak Ridge Turnpike Suite C-103

Oak Ridge, Tennessee 37830

Main:

(865) 481-0411

Fax:

(865) 481-8832

Toll Free:

(866) 481-0411

Tennessee - Mississippi - Alabama

Louisiana - Arkansas - Virginia

Paducah Resource Center

Barkley Center, Unit 125

125 Memorial Drive

Paducah, Kentucky 42001

Main:

(270) 534-0599

Fax:

(270) 534-8723

Toll Free:

(866) 534-0599

Kentucky - Indiana - Illinois

Missouri

Portsmouth Resource Center

1200 Gay Street

Portsmouth, Ohio 45662

Main: (740) 353-6993 Fax: (740) 353-4707

Toll Free: (866) 363-6993

Ohio - Michigan - Wisconsin

Minnesota - West Virginia

Puerto Rico - District of Columbia

Savannah River Resource Center

1708 Bunting Drive

North Augusta, South Carolina 29841

Main: (803) 279-2728

Fax: (803) 279-0146

Toll Free (866) 666-4606 South Carolina - North Carolina

Georgia - Florida

Attachment 4.B.2-Need

"PowerPoint Slides" from the DOL, outlining the EEOICP program

Energy Employees Occupational Illness Compensation Program



Overview of Parts B and E of the EEOICPA

Administration of the EEOICPA

- Part B (October 2000)
- Part E (October 2004)
- Agencies:
 - Department of Labor (DOL)
 - DOL's Division of Energy Employees Occupational Illness Compensation (DEEOIC) administers the EEOICPA
 - Department of Energy (DOE)
 - Department of Health and Human Services
 - National Institute for Occupational Safety and Health (NIOSH)
 - Department of Justice

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DOL Program Leadership

■ Secretary of Labor: Hilda L. Solis

Acting Director of OWCP: Gary A. Steinberg

■ Director of DEEOIC: Rachel P. Leiton

■ DEEOIC District Directors:

■ Seattle: Joyce Vail

Denver: Janet Kapsin

■ Cleveland: Annette Prindle

Jacksonville: Jim Bibeault

2

Employee Eligibility

Employed By	Part B	Part E
DOE Contractors and Subcontractors	Yes	Yes
DOE Federal Employees	Yes	No
AWE Employees	Yes	No
Beryllium Vendors	Yes	No
RECA	Yes	Yes

Covered Conditions

Condition	Part B	Part E
CBD	Yes	Yes
Beryllium Sensitivity	Medical Monitoring Only	Yes
Chronic Silicosis	Yes	Yes
Cancer	Yes	Yes
Any condition related to toxic exposure	No	Yes

Survivor Definition

Туре	Part B	Part E
Spouse at time of death	Yes	Yes
Children - under age 18; under age 23 if full-time student; or any age if medically incapable of self-support	Yes	Yes
Adult Children	Yes	No

Benefits

Part B	Part E	
\$150,000 Employee + Survivor	Impairment \$2,500 per % (Employee)	
\$50,000 RECA Employee + Survivor	Wage Loss \$10,000 - \$15,000 per year (Employee)	
	\$125,000 Survivor (+ lump-sum Wage Loss if eligible)	
\$400,000 CAP fo	r B+E combined	

6

Means of Verifying Employment

- DOE
 - EE-5 Employment Verification Form
- Oak Ridge Institute for Science and Education (ORISE)
- The Center for Construction Research and Training (CPWR)
- Corporate Verifiers
- SSA wage data
- Other Sources
 - Including affidavits and records or documents created by state and federal agencies

Part B: Dose Reconstruction & Probability of Causation

- Part B Cancer Cases and Dose Reconstruction
 - Conducted by NIOSH
 - Level and extent of occupational radiation dose
- Probability of Causation (PoC)
 - Scientific calculation of likelihood that radiation exposure caused cancer
 - NIOSH-IREP
 - PoC 50% or greater for award

8

Part B: Special Exposure Cohort

- Worker Group Designation
 - Presumption occupational radiation caused cancer
- Employment
 - Worked particular location or specific process
 - Work day requirement 250 work days
- "Specified" Cancer
 - 22 cancers <u>named in law</u>
- Employees determined to be part of a designated SEC class with a "specified cancer" do not need a NIOSH dose reconstruction

Part B: Adding New SEC Classes

- Four legislated SEC classes 3 Gaseous Diffusion Plants, plus Amchitka
- NIOSH also designates new SEC classes
 - Worker Petition or Agency Decision
 - Advisory Board Assistance
- DOL adjudicates SEC cases
 - No role in designation

10

Part E: Causation

- Claims developed for exposure to toxic substances
- Causation: "At least as likely as not" that exposure to a toxic substance at a covered facility during a covered period was a significant factor in aggravating, contributing to, or causing the claimed illness
- **■** Tools:
 - Occupational History Questionnaire (OHQ)
 - Site Exposure Matrices (SEM)
 - DAR records
 - Former Worker Medical Screening Program (FWP) work history interviews
 - The Center for Construction Research & Training (CPWR)
 - DOE Physician Panel Findings
 - Other Sources: Affidavits/facility records

Site Exposure Matrices (SEM) Website

- Repository of information regarding toxic substances present at DOE and RECA Section 5 facilities
- Information gathered from a variety of sources
- Expansion completed in January 2011
- Also contains information regarding scientifically established links between certain toxic substances and certain illnesses
- Available at http://www.sem.dol.gov

12

Part E: Employee Impairment

- Determination of % permanent whole person impairment due to covered illness
 - AMA's Guides to the Evaluation of Permanent Impairment, 5th Edition
 - \$2,500 awarded for each % of impairment

Part E: Employee Wage Loss

- Medical evidence must show decreased capacity to work
- Employee Compensation:
 - Any year <50% of the pre-disability annual wage = \$15,000 compensation
 - Any year > 50% but <75% of the pre-disability annual wage = \$10,000 compensation

14

Decision & Appeals Process

- Recommended Decision District Office
 - Preliminary determination
 - Cover letter, decision, and rights to object (oral hearing/review of written record)
- Final Decision Final Adjudication Branch (FAB)
 - Affirmation of recommendation or remand based on objection/ independent review
 - Appeal Rights Reconsideration, Reopening & District Court

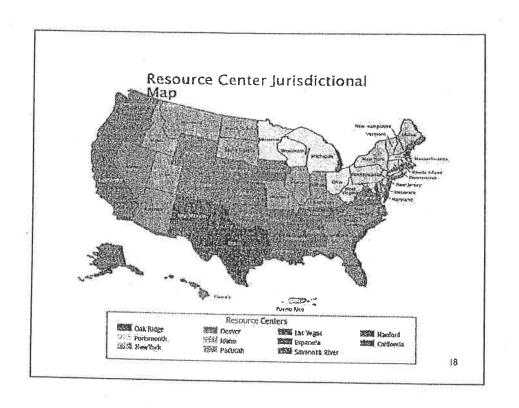
Claimant Responsibilities

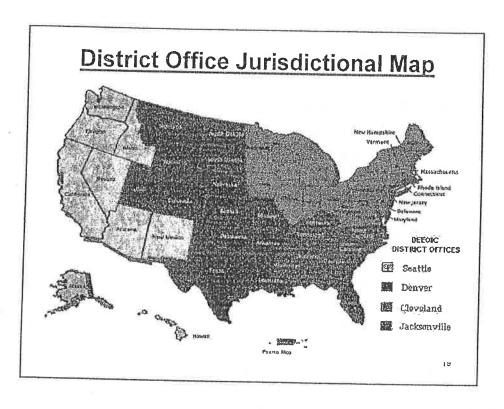
- File Claim
- Collect/Copy/Submit relevant records
- Respond to information requests
- Talk to co-workers get affidavits
- Seek assistance if you need help call Resource Center
- Review decision and information for appeal

16

Claimant Resources

- 11 Resource Centers Nationwide
 - Listing of locations available at http://www.dol.gov/owcp/energy/
 - Or call toll free at (866) 888-3322 for nearest Resource Center location
- DEEOIC web site:
 - http://www.dol.gov/owcp/energy/
 - General program information
 - SEM website
 - Forms and Sample Decisions





Attachment C. Economic Feasibility-1

PROJECT COSTS CHART

A.	Co	nstruction and equipment acquired by purchase:	
	1.	Architectural and Engineering Fees	2017 SEP = 7 DU = 5
	2.	Legal, Administrative (Excluding CON Filing Fee) Consultant Fees	021 / 171 2 31
	3.	Acquisition of Site	
	4.	Preparation of Site	
	5.	Construction Costs	PUZSE 1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.
	6.	Contingency Fund	10,000
	7.	Fixed Equipment (Not included in Construction Contract)	Manager Street, and the street
	8.	Moveable Equipment (List all equipment over \$50,000)	10,000
	9.	Other (Specify)	
В.	Acq	uisition by gift, donation, or lease:	
	1.	Facility (inclusive of building and land)	71,160
	2.	Building only	2,000
	3.	Land only	
	4.	Equipment (Specify)	
	5.	Other (Specify)	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
C.	Fina	ncing Costs and Fees:	
	1.	Interim Financing	
	2,	Underwriting Costs	Carlo San
	3.	Reserve for One Year's Debt Service	Authorities was the second and
	4.	Other (Specify)	
D,	Estin (A+B	nated Project Cost +C)	113,160
E.	CC	DN Filing Fee	3.000
F.		tal Estimated Project Cost	16,160
		+E)	
		TOTAL	116,160

County Number: 001

County Name: ANDERSON

Tax Year: 2012

Property Owner and Mailing Address

Jan 1 Owner: B & B PROPERTIES 800 OAK RIDGE TURNPIKE SUITE A-1000 OAK RIDGE, TN 37830

Property Location

Address: 800A OAK RIDGE TURNPIK

Map: 094P Grp: A Ctrl Map: 0940 Parcel: 064.00 Pl: S/I: 000

Value Information

Reappraisal Year: 2010

Land Mkt Value: \$780,300

Improvement Value: \$5,309,100

Total Market Appraisal: \$6,089,400

Assessment %: 40

Assessment: \$2,435,760

General Information

Class: 08 - COMMERCIAL

City #: 549 City: OAK RIDGE

SSD1: 000 **SSD2:** 000

District: 02 Mkt Area: J02

Bldgs: 4 Mobile Homes: 0

Homes:

01 - PUBLIC / 01 - PUBLIC / Utilities - PUBLIC /

- Water:

Sewer:

PUBLIC

Utilities - Elec:

01 - PUBLIC / **PUBLIC**

Utilities -

Zoning:

Gas:

03 -PUBLIC / **INDIVIDUAL**

Utilities

- Gas

B2

Type:

Subdivision Data

Subdivision: BLOCK 0F17 LOT 381A

Plat Bk:

Plat Pg:

Block:

Lot:

Additional Description

02 017CF 017CF38100 000

Building Information

Building # 1

Improvement Type:

30 - OFFICE

Stories:

2

Base Area Sq. Ft.:

171,000

Aux Base Sq. Ft.:

22,400

Foundation:

04 - SPECIAL

Floor System: **FOOTING**

06 - STRUCTURAL

SLAB

Exterior Wall:

11 - COMMON BRICK

Structural Frame:

06 - FIRE PROOF

STEEL

Roof Framing:

05 - BAR

JOIST/RIGID FRAME

Roof Cover/Deck:

10 - BUILT-UP COMPOSITION

Cabinet/Millwork:

04 - ABOVE

AVERAGE

Floor Finish:

11 - CARPET COMBINATION

Interior Finish:

07 - DRYWALL

Paint/Decor:

04 - ABOVE **AVERAGE**

Bath Tile:

00 - NONE

Electrical:

03 - AVERAGE

Heat:

A/C:

Plumbing Fixtures:

Shape:

01 - RECTANGULAR

DESIGN

Quality:

Act Yr Built:

1980

Condition:

Building Areas:

Area: PEL

Sq Ft: 171,000

Area:	SPR		Sq Ft:	138,000
Area:	BAS		Sq Ft:	110,000
Area:	PEL		Sq Ft:	83,250
Area:	UTF		Sq Ft:	16,000
Area:	BAS		Sq Ft:	8,800
Area:	OPF		Sq Ft:	6,000
Area:	BAS		Sq Ft:	1,600
Area:	EPF		Sq Ft:	400

Sale Information

Sale Date	Price	Deed Book	Page	Vac/Imp	Type Instrument	Qualification
10/04/2006	\$8,300,000	1435	2472	IMPROVED	WD	P
		1400	2412	IMPROVED	VVD	Г
04/25/2003	\$3,925,000	1343	678	IMPROVED	WD	P
01/12/1999	\$0	1089	537			
09/01/1998	\$10,437,003	1071	676	IMPROVED	WD	Р
06/13/1997	\$0	1018	165			
10/11/1988	\$0	H-17	277			
12/30/1983	\$0	X-15	638			

Land Information

Deed Acres:	4.57	Calc Acres:	0.00	Total Land Units:	4.57
Land Type:	10 - COMMERCIAL	Soil Class:		Units:	2.57
Land Type:	10 - COMMERCIAL	Soil Class:		Units:	2.00

View GIS Map for this Parcel

New Search	Glossary of	Lerms

How to Search

Fact Sheet

Real Estate Assessment Data Home Page Division of Property Assessments Home Page

Comptroller of the Treasury
Home Page

State of Tennessee Home Page

Attachment C, Economic Feasibility-2



Girling Health Care, Inc. SEP 21 AM 11 51

Continuous Care. Endless Compassion.

September 19, 2012

Mrs. Melanie Hill Executive Director State of Tennessee Health Services and Development Agency 500 Deaderick Street, Suite 850 Nashville, Tennessee 37243

RE: GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC. (DBA THE HOME OPTION BY HARDEN HEALTHCARE) ("APPLICANT")

Dear Mrs. Hill:

Please accept this letter as confirmation that Girling Health Care, Inc., an affiliate of the Applicant ("GHC"), anticipates funding the relocation and other costs and expenses described in the Certificate of Need application ("Application"), which is being filed regarding the relocation of the home office of Applicant from Knoxville to Oak Ridge, Tennessee, from cash reserves and/or cash flow from operations. Such funds will be provided to Applicant through routine inter-company transfers on an as-needed basis. The financial statements for GHC (e.g., Girling Health Care, Inc. – All Tennessee Operations) have been provided in connection with the Application, as supplemented as of the date hereof.

This letter supercedes and replaces my prior letter to you dated September 6, 2012.

Please contact me if you should need anything further in this regard. I can be reached directly by phone at (512) 344-4210 or by e-mail at sellyson@hardenhealthcare.com. Thank you for your prompt attention to this matter.

By:

Scott Ellyson

Chief Financial Officer Girling Health Care, Inc.

cc:

Benjamin M. Hanson SVP and General Counsel Harden Healthcare, LLC

Attachment C. Economic Feasibility-4

HISTORICAL DATA CHART

or	ive ir age	nformation for the last <i>three (3)</i> years for which concerning the fiscal year begins in January (Month	omplete data a n).	rélavajjable j	or the Jasility
			Year 2009	Year 2010	Year 2011
Α.		ilization Data (Specify unit of measure)	460 35	Profession	1 (0.5 (0.5)
В.	Re	evenue from Services to Patients			
	1,	, particular 1000	\$	\$	\$
	2.	Outpatient Services	William is the fa		Teginesanien
	3.	Emergency Services		+1.76-6400-	I Harlonaumo
	4.	Other Operating Revenue			4 319 KO See
		(Specify)			- L
_	Da	Gross Operating Revenue	\$	\$	\$
C.	1.	ductions from Gross Operating Revenue	See Proceedings		
	2.	Contractual Adjustments	\$	\$	\$
	2. 3.	Provision for Charity Care Provisions for Bad Debt	Pareller (Control	和技术部分是	
	٥.			用一张的特别	
		Total Deductions	\$	\$ 200	\$
		PERATING REVENUE	\$	\$	\$
D.		erating Expenses			
	1.	Salaries and Wages	\$ And the first	\$	\$
	2.	Physician's Salaries and Wages		Takia Naryy	1,25% 1,3% 2,3%
	3.	Supplies			5. 10 PX. 可用3
	4.	Taxes		राज्य सम्बद्धाः	Section 1
	5.	Depreciation			
	6.	Rent			Professional States
	7.	Interest, other than Capital	引载62年11年 1		
	8.	Other Expenses (Specify)	Calesty of Seat	A CONTRACT PARTY	2012/06/2012
		Total Operating Expenses	\$]\$	\$
E.		er Revenue (Expenses) – Net (Specify)	\$	\$	\$
NET	OP	ERATING INCOME (LOSS)	\$	\$	\$
F.	Capi	ital Expenditures			J *4
	1.	Retirement of Principal	\$	\$	\$
		Interest	De Stephin 27	Y DESCRIPTION OF THE PROPERTY	Total agent of the
		Total Capital Expenditures	\$	\$] σ
NET	OPF	ERATING INCOME (LOSS)	∀ 157(2 = 1 ≥ 1 ≤ 1 ≤ 1 ≤	Ψ <u>I</u> Politic - Act you	\$
.ES	SCA	APITAL EXPENDITURES	\$-0-	\$-0-	\$-0-

SUPPLEMENTAL-#1

September 21, 2012 11:51am

Mr. Michael Brent September 17, 2012 Page 12

PROJECTED PARA CHARIT 52

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in <u>January</u> (Month).

OU	>'''' '	- January (Worth).		
			Year 2013	Year_2014_
A.	Ut	ilization Data (Specify unit of measure)	Hours/Patients	Hours/Patients
B.	Re	venue from Services to Patients		
	1,	Inpatient Services	\$_1,500,000	\$_1,800,000
	2.	Outpatient Services	(0-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	-
	3	Emergency Services	0	
	4.	Other Operating Revenue (Specify)	***	-
		Gross Operating Revenue	\$ <u>1,500,000</u>	\$ <u>1,800,000</u>
C.	De	ductions from Gross Operating Revenue		
	1.	Contractual Adjustments	\$	\$
	2.	Provision for Charity Care	_30,000	40,000
	3.	Provisions for Bad Debt	25,000	45,000
		Total Deductions	\$ 55,000	\$ 85,000
NE	T O	PERATING REVENUE	\$_1,455,000	\$ _1,715,000
D.		erating Expenses		
	1.	Salaries and Wages	\$_969,756_	\$ <u>1,111,000</u>
	2.	Physician's Salaries and Wages	3	-
	3.	Supplies	9,000	11,000
	4.	Taxes	×	
	5.	Depreciation	1,000	500
	6.	Rent	23,366	23,830
	7.	Interest, other than Capital		·
	8.	Management Fees:		
		a. Fees to Affiliatesb. Fees to Non-Affiliates		
	9.	Other Expenses – Specify on separate page 15	37,000	44.400
		Total Operating Expenses		44,400
E.	Oth	er Revenue (Expenses) Net	\$ <u>1,040,122</u> \$	\$ <u>1,190,730</u> \$
	(Sp	ecify)	Φ	Ф
NE'	ГОР	PERATING INCOME (LOSS)	\$_414,878	\$_524,270_
F.	Cap	ital Expenditures	Management and a	-
	1.	Retirement of Principal	\$	\$
	2.	Interest		

SUPPLEMENTAL-#1

Mr. Michael Brent September 17, 2012 Page 13 September 21, 2012 11:51am

	Myabeapull Expenditures	\$	\$
NET OPERATING INCOME LESS CAPITAL EXPENDITO		\$ <u>414,878</u>	\$_524,270_

PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 2013	Year 2014
1. Marketing	\$ 16,000	\$ 16,400
2. Insurance	14,000	20,000
3. Recruting	7,000	8,000
4.		
5.	-	
6.		42000
7.	-	
Total Other Expenses	\$ 37,000	\$ 44,400

Attachment C. Economic Feasibility – 4. EEOICP Fee Schedule Analysis

EEOICP Fee Schedule Analysis

Approved Codes/Codes on Medical Authorization Form:

HCPC S	Description	STATUS	Work	PE RVU	MP	Total RVU	FACTOR	Total Reimbursement	Per Hour	Per 24 Hours
T1001	Nursing assessment/evaluation: 1 in home evaluation per claimant	O	1.72	1.56	0.07	3.23	48.52	\$156.87		
T1017	Targeted case management - must be an RN: 15 minutes per unit	U	0.37	00.00	0.00	0.37	48.52	\$17.95	\$71.81	
T1019	Personal care services (non skilled: bathing, feeding, dressing, etc.) - must be a HHA, LPN, or similarly trained individual: 15 minutes per unit; Family members can only be approved for 12 hours per day	O	0.10	0.00	0.00	0.10	48.52	\$4.85	\$19.4	
T1020	Personal care services - per diem (8 hours); Example: for 12 hours you would submit 1 unit of T1020 and 16 units of T1019	O	2.89	0.00	0.00	2.89	48.52	\$140.22	-	\$420.67
T1030	Nursing Care - RN - per diem (8 hours); Example: for 24 hours you would bill for 3 units	O	13.63	0.00	0.00	13.63	48.52	\$661.33		\$1,983.98
T1031	Nursing Care - LPN - per diem (8 hours); Example: for 24 hours you would bill for 3 units	ပ	10.91	0.00	0.00	10.91	48.52	\$529.35		\$1,588.06
S5126	Attendant: Home Health Aide - per diem (8 hours); Example: for 24 hours you would bill for 3 units	ပ	2.89	0.00	0.00	2.89	48.52	\$140.22		\$420.67
S9122	Home Health Aide or CNA - hourly code; Less than 8 hours of care	O	0.50	0.00	0.01	0.51	48.52	\$24.53	\$24.53	
S9123	Nursing Care - RN - hourly code; Less than 8 hours of care	ပ	2.27	0.00	0.00	2.27	48.52	\$110.14	\$110.14	
S9124	Nursing Care - LPN - hourly code; Less than 8 hours of care	O	1.82	0.00	0.00	1.82	48.52	\$88.31	\$88.31	

Attachment C. Economic Feasibiilty-4. EEOICP Case Mix Analysis

EEOICP Case Mix Analysis

Weekly Hours

	Title	Rate	Hours	Total	
Client 1					
	RN	110.14	10	1101.4	
	LPN	88.31		0	
	HHA	24.53	30	735.9	
					\$1,837.30
Client 2	RN	110.14		0	
	LPN	88.31	84	7418.04	
	HHA	24.53		0	
					\$7,418.04
Client 3	RN	110.14		0	
	LPN	88.31		0	
	HHA	24.53	168	4121.04	
					\$4,121.04
Client 4	RN	110.14		0	
	LPN	88.31	35	3090.85	
ľ	HHA	24.53	133	3262.49	
					\$6,353.34
Client 5	RN	110.14		0	
	LPN	88.31	40	3532.4	
	HHA	24.53		0	
					\$3,532.40
Client 6	RN	110.14		0	
	LPN	88.31		0	
	HHA	24.53	84	2060.52	
					\$2,060.52
Client 7	RN	110.14		0	
	LPN	88.31	20	1766.2	
	HHA	24.53	20	490.6	
					\$2,256.80
Client 8	RN	110.14	12	1321.68	
	LPN	88.31		0	
	ННА	24.53		0	
					\$1,321.68

Weekly Revenue based on 10 clients

\$28,901.12

* 52 weeks/year \$1,502,858.24

Attachment C, Economic Feasibility-10

GIRLING HEALTH CARE, INC. (all Tennessee Operations)

CONSOLIDATED BALANCE SHEETS

AS OF		6/30/2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$	-
Patient accounts receivable — net of allowance	(876,343
Total current assets		876,343
PROPERTY AND EQUIPMENT — At cost:		
Leasehold improvements		1,779
Furnishings, fixtures, and equipment	-	2,412
Total property and equipment		4,191
Less accumulated depreciation	-	1,787
Total property and equipment	18	2,404
100		
OTHER ASSETS:		
Intercompany		2,245,109
Total other assets		2,245,109
TOTAL	\$	3,123,857
	-	
LIABILITIES AND EQUITY		
Current maturities of long-term debt		
Accounts payable and Accrued Expenses		2,528,411
Total current liabilities		2,528,411
NONCURRENT LIABILITIES		
Total noncurrent liabilities		

Total liabilities		2,528,411
EQUITY		
Equity		595,446
TOTAL	\$	3,123,857
		_,,,

GIRLING HEALTH CARE, INC. (all Tennessee Operations)

STATEMENT OF INCOME

AS OF	06/30/12
REVENUE:	
Net patient service revenue	\$ 2,768,311
EXPENSES AND LOSSES:	
Salaries and Benefits	1,790,466
Contract Services	29,308
Professional services	86,274
Supplies and other	262,020
Depreciation and amortization	510
Impairment of long lived assets and goodwill	
Provision for uncollectible accounts	36,436
Total expenses and losses	2,205,014
OPERATING INCOME	563,297
	a e
INCOME BEFORE INCOME TAXES	563,297
NET INCOME	\$ 563,297

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC.

CONSOLIDATED BALANCE SHEETS AS OF 6/30/2012 **ASSETS CURRENT ASSETS:** Cash and cash equivalents \$ Patient accounts receivable — net of allowance Total current assets PROPERTY AND EQUIPMENT — At cost: Leasehold improvements Furnishings, fixtures, and equipment Total property and equipment Less accumulated depreciation Total property and equipment OTHER ASSETS: Intercompany Total other assets TOTAL LIABILITIES AND EQUITY Current maturities of long-term debt Accounts payable and Accrued Expenses Total current liabilities NONCURRENT LIABILITIES Total noncurrent liabilities

\$

Total liabilities

EQUITY Equity

TOTAL

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC.

STATEMENT OF INCOME

AS OF	00	6/30/12
REVENUE:		
Net patient service revenue	\$	ā
EXPENSES AND LOSSES:		
Salaries and Benefits		
Contract Services		z.
Professional services		=
Supplies and other		*
Depreciation and amortization		=
Impairment of long lived assets and goodwill		=
Provision for uncollectible accounts	2	
Total expenses and losses	4	
OPERATING INCOME		
INCOME BEFORE INCOME TAXES		-
NET INCOME	\$	(*

Attachment C. Contribution-1

Board for Licensing Health Care Facilities

Ternessee

License No.

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

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2013 , and is subject laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder. to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the In Mitness Mercoff, we have hereunto set our hand and seal of the State this 15T day of JULY SKILLED NURSING PHYSICAL THERAPY OCCUPATIONAL THERAPY SPEECH THERAPY This license shall expure In the Distinct Category (ses.) ch.

MEDICAL SOCIAL SERVICES HOME HEALTH AID SERVICES

birector, division of health care facilities $\mathcal{A}_{\mathcal{A}}$

Attachment C. Contribution-2

Girling Health Care Services of Knoxville Most Recent Survey Report



STATE OF TENNESSEE DEPARTMENT OF HEALTH

OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
5904 LYONS VIEW PIKE
KNOXVILLE, TENNESSEE 37919

May 8, 2012

Ms. Keena DeAngelo, RN, Administrator Girling Health Care Services of Knoxville 320 N. Cedar Bluff, Suite 360 Knoxville, TN 37923

Re: Home Health Licensure Number 148

Dear Ms. DeAngelo:

The East Tennessee Region of Health Care Facilities conducted a recertification survey on March 29, 2012. A desk review of your plan of correction for deficiencies cited as a result of the survey was conducted. Based on the review, we are accepting your plan of correction and are assuming your facility is in compliance with all participation requirements as of April 2, 2012.

If you have any questions, please contact the East Tennessee Regional Office by phone (865-588-5656) or by fax (865-594-5739).

Sincerely,

Karen B. Kirby, RN

Regional Administrator

KBK/dt



STATE OF TENNESSEE, DEPARTMENT OF HEALTH OFFICE OF HEALTH LICENSURE AND REGULATION EAST TENNESSEE REGION 5904 LYONS VIEW PIKE KNOXVILLE, TENNESSEE 37919

April 5, 2012

Ms. Keena DeAngelo, RN, Administrator Girling Health Care Services of Knoxville 320 N. Cedar Bluff, Suite 360 Knoxville, TN 37923

Re: Home Health Licensure Number 148

Dear Ms. DeAngelo:

Enclosed is a Statement of Deficiencies which was developed as a result of the licensure survey conducted at your facility on March 29, 2012. We are requesting that corrective action of the cited deficiencies be achieved <u>before</u> May 13, 2012, the 45th day from the date of the survey. A revisit may be conducted to verify compliance. Failure to provide an acceptable plan of correction could result in a referral to the Board of Licensing Health Care Facilities for whatever action they deem appropriate.

Please develop a Plan of Correction for the deficiencies cited and return with (10) days after receipt of this letter to:

Office of Health Licensure and Regulation Lakeshore Park, Building 1 5904 Lyons View Pike Knoxville, TN 37919

Your POC must contain the following:

- What corrective action(s) will be accomplished for those patients found to have been affected by the deficient practice;
- How you will identify other patients having the potential to be affected by the same deficiency practice and what corrective action will be taken;

- What measures will be put into place or what systemic changes you will make to ensure that the deficient practice does not recur; and,
- How the corrective action(s) will be monitored to ensure the deficient practice will not recur; i.e., what quality assurance program will be put into place.

In the column "Completion Date" of the State Form, list the date corrective actions have been or will be completed. Please make sure the administrator's signature and date are on the bottom line of the Statement of Deficiencies/Plan of Correction State Form.

Should you have any questions or if there is any way this office may be of assistance, please do not hesitate to call.

Sincerely,

Kan B. Kuley

Karen B. Kirby, RN Regional Administrator

KBK/dt

Enclosure

Division of Health Care Facilities STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X3) DATE SURVEY (X2) MULTIPLE CONSTRUCTION AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A BUILDING B, WING TNHL015 03/29/2012 ME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE GIRLING HETH CARE SERVICES OF KNOXYIL 320 N CEDAR BLUFF, SUITE 360 KNOXVILLE, TN 37923 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX (X5) PREFIX (EACH CORRECTIVE ACTION SHOULD BE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG COMPLETE DATE TAG CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) H 502, 1200-8-26-.05 (2) Admissions, Discharge and Transfers (2) Care shall follow a written plan of care established and reviewed by a physician, and care shall continue under the supervision of a physician. H 502 Admission, discharge and transfers This Rule is not met as evidenced by: Based on medical record review and Interview, the agency failed to follow physician's orders for Effective immediately, Girling staff one patient (#1) of one patient reviewed. will have an order for any deviation or change from the original POC. The findings included: Staff meeting held 4/2/2012 to review Review of patient #1's Plan of policies on admission/evaluations, Treatment/Physician's Orders dated December following plan of care, reporting 16, 2011 revealed the patient was admitted to the changes to physicians and obtaining agency on December 16, 2011 for administration new orders. of Solumedrol (suppresses Inflammation) 1 gram intravenous every day for 5 days (December 16, Compliance to adherence will be 17, 18, 19 and 20, 2011). 4-2-13 monitored on a monthly basis by Review of the nurse's notes from December 16, peforming chart audits. Physician will be notified within 48 hours if to December 20, 2011 revealed no documentation a skilled nurse visit was Girling is not able to provided the completed on December 20, 2011 and no care ordered. documentation the Solumedrol was administered as ordered by the physician. Responsible Party: Review of a nurse's note dated December 23, Keena DeAngelo RN 2011 revealed a skilled nurse visit was completed Location Director/Administrator on December 23, 2011 and Solumedrol 1 gram infravenous was administered. Review of the physician's orders revealed no documentation the physician ordered a skilled nurse visit or administration of the Solumedrol on December 23, 2011. Interview with the administrator on March 29, 2012, at 9:30 a.m., confirmed the physician's Division of Health Cure Facilities LABORATORY DIRECTOR'S OR PROVIDED SUPPLIER REPRESENTATIVE'S SIGNATURE FORM

Division of Health Care Facilities STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION (X3) DATE SURVEY COMPLETED (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: (X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING _ TNHL015 03/29/2012 STREET ADDRESS, CITY, STATE, ZIP CODE NAME OF PROVIDER OR SUPPLIER 320 N CEDAR BLUFF, SUITE 360 GIRLING HLTH CARE SERVICES OF KNOXVIL KNOXVILLE, TN 37923 SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE (X4) ID PREFIX (X5) COMPLETE DATE PREFIX TAG REGULATORY OR LSC IDENTIFYING INFORMATION) TAG DEFICIENCY) H 502 | Continued From page 1 H 502 orders were not followed. Division of Health Care Facilities

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If continuation sheet 2 of 2

Girling Health Care Most Recent Survey Report

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Subscribed and sworn to before me this

My commission expires NOVEMOLY

Notary Public

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NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

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PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as publish	ed in T.C.A. § 68-11	-1609(c): 11/14/12				
Assuming the CON approval becomes the final agency action on that date; indicate the number of days						
from the above agency decision date to each phase of the						
Phase	DAYS	Anticipated Date				
Тиазс	REQUIRED	(MONTH/YEAR)				
1. Architectural and engineering contract signed	N/A					
2. Construction documents approved by the Tennessee Department of Health	N/A					
3. Construction contract signed	N/A					
4. Building permit secured	N/A					
5. Site preparation completed	N/A	Grand Services				
6. Building construction commenced	N/A					
7. Construction 40% complete	N/A					
8. Construction 80% complete	N/A					
9. Construction 100% complete (approved for occupancy	N/A					
0. *Issuance of license	N/A					
1. *Initiation of service	15	12/1/12				
2. Final Architectural Certification of Payment	N/A					
3. Final Project Report Form (HF0055)	N/A					
For projects that do NOT involve construction or renovate and 11 only.	vation: Please com	plete items				

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF TENNESSEE TEXAS
COUNTY OF TRAVIS
Benjamin M. Hanson being first duly sworn, says that he/she is the applicant named in this application or his/her lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Tennessee Health Services and Development Agency and T.C.A. § 68-11-1601, et seq., and that the responses to questions in this application or any other questions deemed appropriate by the Tennessee Health Services and Development Agency are true and complete.
Signature/Title
Sworn to and subscribed before me this the That day of September, 2012 a Notary Public in and for the County of Travis State of Tennessee. TEXAS
My Commission expires 6.13.2015 WEND! LORAINE ROGERS MY COMMISSION EXPIRES June 13, 2015

Revised 7/02 - All forms prior to this date are obsolete

SUPPLEMENTAL #1

SUPPLEMENTAL-#1

September 21, 2012
Michael D. Brent 11:51am

Michael D. Brent Direct: 615.252.2361 Fax: 615.252.6361 mbrent@babc.com

2012 SEP 21 AM 11 51

September 21, 2012

VIA hand delivery and email

Philip M. Wells Tennessee Health Services & Development Agency 500 Deaderick Street, Suite 850 Nashville, Tennessee 37243

Re:

Girling Health Care Services of Knoxville, Inc.

Oak Ridge (Anderson County)

CN1209-043

Dear Phil:

This letter will serve as a response to your letter of September 17, 2012 requesting clarification or additional discussion as to our application for a Certificate of Need for the relocation of the parent office of Girling Health Care Services of Knoxville, Inc. from The Stokely Building, 320 North Cedar Bluff, Suite 360, Knoxville (Knox County), Tennessee 37923 to 800 Oak Ridge Turnpike, Suite A-208 Oak Ridge (Anderson County), Tennessee 37830. This letter has been reviewed by an officer of the Applicant, and an appropriate affidavit is attached.

1. Section B. I. (Project Description) (Narrative Description of the Project)

In the last paragraph of the Project Description, the applicant describes that Harden family affiliates collectively serve approximately 36,000 patients-a-day through their continuum of care of long term care services in 14 states. How many patients-a-day does the applicant, Girling Health Care Services of Knoxville, Inc (TN. Lic. #148), serve in its 6 county service area. How many patients-a-day, does its sister agency, Girling Health Care, Inc. (TN Lic. #149), serve within the six county service area of the applicant; in its 27 county service area?

RESPONSE:

The Applicant, Girling Health Care Services of Knoxville, Inc. (TN License No. 148), serves 0 patients-a-day. The Applicant's sister agency, Girling Health Care, Inc. (Tennessee License No. 149), currently maintains the following patient-a-day census for each county within its six county service area: Knox County – 129; Blount County – 30; Anderson County – 25; Loudon County – 10; Jefferson County – 21; Sevier County – 121.

2. Section B. II. D. (Project Description) (Need to Change Location)

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Your response is noted. The applicant indicates the relocation of its parent office from Knoxville to Oak Ridge will enhance the ability of the applicant to provide home health services to the increasing number of participants in Energy Employees Occupational Illness Compensation Program (EEOICP) who reside in the service area, as well as other individuals. However, other portions of the application as well as the Projected Data Chart appear to only reflect utilization and revenue from the EEOICP. Please clarify whether this applicant intends to serve only EEOICP beneficiaries, or will other non-EEOICP clients also be served by this Agency. If other clients are anticipated, what is their projected volume and anticipated revenues? What would be the applicant's estimate of the number of TennCare patients? of the non-EEOICP clients?

RESPONSE:

The Applicant intends primarily to serve EEOICP patients. In addition, however, the Applicant intends to provide non-medical home care services to patients who will pay out-of-pocket or via long term care insurance. The Applicant projects that these additional non-medical home care patients will comprise ten percent (10%) of its patient volume. Note also that the EEOICP patients who choose to sign up for services above and beyond their approved amount through the EEOICP will have to pay privately. The Applicant estimates that this subset of patients will comprise approximately five percent (5%) of its patient volume.

3. Section B. III A.(Plot Plan)

The Plot plan provided is too fuzzy to distinguish any of the elements required in this question. As required in the application for all projects, Plot Plan must provide the size of the site (in acres), location of the structure on the site, the location of the proposed construction, and the names of streets, roads, highways that cross or border the site. Those items bolded and underlined were omitted from the documentation submitted. Please provide a new Plot Plan with all the required information.

RESPONSE:

Please see the revised plot plan attached as **Supplemental Response 1 – Section B. III** A. (Plot Plan).

4. Section B. III B (Relationship to Transportation Routes)

The question is applicable. Please describe the accessibility of the proposed Agency's site to patients/clients in its six (6) county service area. Discussion of transportation routes, travel distances and times by which the applicant's personnel can reach the proposed clients' residents in the expanded counties will be helpful.

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RESPONSE:

The Oak Ridge Transit System provides service within the City of Oak Ridge, Monday through Saturday. Mini-buses pick up passengers and transport them anywhere within the city limits for \$1.50 per one-way trip. In addition, the East Tennessee Human Resource Agency provides public and medical transportation to residents of 16 East Tennessee counties, including Anderson County. A round-trip costs \$6.00 within the county of residence and an additional \$3.00 is charged for every county line crossed. Patrons must schedule trips at least 3 business days in advance, but medical transportation is given priority.

The Applicant's prospective home office located at 800 Oak Ridge Turnpike in Oak Ridge, Tennessee, is located 11.6 miles, or about 17 minutes, from major highway I-140/Pellissippi Parkway, and 13.0 miles, or about 19 minutes, from major interstates I-40 and I-75. The Oak Ridge Turnpike where the home office would be located, or Highway 95, is also a major highway into Oak Ridge from the interstate system, and runs across Anderson County. Attached as <u>Supplemental Response 1 – Section B. III B.</u> (Relationship to Transportation Routes) is a highway map showing the location of the Applicant's proposed home office, in relation to the highway system.

The following chart represents distance and drive time from the home office to the center of each county in the Applicant's service area.

County	Distance/Drive Time from Home Office
Jefferson	56.0 miles/1 hour, 4 minutes
Knox	30.6 miles/38 minutes
Loudon	34.3 miles/44 minutes
Sevier	55.8 miles/1 hour, 17 minutes
Union	51.7 miles/1 hour, 26 minutes

¹ ETHRA serves Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Knox, Loudon, Monroe, Morgan, Roane, Scott, Sevier, and Union counties.

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5. Section C, Item 1 (5 Principals for Achieving Better Health in State Health Plan)

Please discuss how the proposed project will relate to the <u>5 Principals for Achieving</u> Better Health found in the State Health Plan."

RESPONSE:

The Applicant has reviewed the 2010 Tennessee State Health Plan, published by the Division of Health Planning, and believes that the approval of its CON application would assist the development of the goals and strategies set forth in the "Five Principles for Achieving Better Health," as found in the State Health Plan, as follows:

- (1) The purpose of the State Health Plan is to improve the health of Tennesseans. Improvement in the health of Tennesseans would necessarily result from the provision of home health services to EEOICP beneficiaries in the service area.
- (2) Every citizen should have reasonable access to healthcare. Tennessee citizens' access to healthcare would improve with the approval of this proposed relocation, due to the large number of EEOICP beneficiaries in the service area, and the more convenient access created by the relocation.
- (3) The State's healthcare resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies, and the continued development of the State's healthcare system. While there are currently home health care services being provided in many portions of the proposed service area, some of these areas remain underserved, particularly with respect to EEOCIP beneficiaries. This proposed relocation would foster economic efficiencies, due to the large concentration of EEOICP beneficiaries in the service area, especially Anderson County. Additionally, the Applicant believes this proposed relocation will help provide better care for EEOICP beneficiaries, and all Tennesseans, in the service area needing home care services.
- (4) Every citizen should have confidence that the quality of healthcare is continually monitored and standards are adhered to by healthcare providers. The Applicant and its affiliated entities continually monitor applicable standards of care with the goal of always meeting or exceeding such standards, thus assuring that patients and their family members receive quality, appropriate care and support.
- (5) The state should support the development, recruiting and retention of a sufficient and quality healthcare workforce. The Applicant and its affiliates support the development, recruitment and retention of a sufficient and quality healthcare

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workforce through their various training programs, community outreach initiatives, and other programs and support.

6. Section C, Item 1 Need (Specific Criteria – Construction, Renovation, Expansion, and Replacement of Health Care Institutions).

Please provide responses to the appropriate criteria listed on page 23 of the *Guidelines for Growth*.

For <u>relocation</u> or replacement <u>of an existing licensed</u> health care institution:

a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

RESPONSE:

The Applicant considered multiple alternatives and determined that relocating the GHCSK home office to the proposed Oak Ridge location was the most desirable alternative. The existing office configuration in Knox County, shared by GHCSK and GHC, was out of expansion space and the Applicant determined the most logical alternative was to retain a smaller amount of space for a branch office of GHCSK in Knox County, contiguous to the current office location of GHC within the existing office configuration, and relocate the GHCSK office. Oak Ridge (Anderson County) was the most logical location of choice, given the existence of four (4) EEOCIP-covered facilities in the area, as well as the large medical community already in place that caters to sick and injured nuclear workers, and the Applicant determined that would be the most efficient alternative.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

RESPONSE:

As existing providers, the Applicant and its sister agency are aware of the general needs and demands in the service area. Additionally, data from the DOL confirms that as EEOICP beneficiaries age, their health care needs increase, as evidenced by the increasing number of applications filed under the EEOICP program.

7. Section C, Item 3 (Reasonableness of the Proposed Service Area)

Please identify and justify the number of EEOICP clients in each of the applicant's six (6) county service area. Please identify and justify the number of non-EEOICP clients in each of the applicant's six (6) county service area.

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RESPONSE:

The Applicant is unable to identify and justify the exact number of EEOICP clients in its six (6) county service area, as this county-by-county data is not, to Applicant's knowledge, available from the DOL. If you are aware of a repository of this information, please let us know, and we will be happy to request such data and further respond to this request. The Applicant notes, however, that in the 2011 Annual Report to Congress, the Department of Labor noted that the number of applications filed under the EEOICP increased by 9,420 between December 31, 2010 and January 1, 2012. See Executive Summary, Page 6, Department of Labor's 2011 Annual Report to Congress, which is attached as <u>Supplemental Response 1 – Section C, Item 3 (Reasonableness of the Proposed Service Area)</u>.

8. Section C, Need. Item 4. (Service Area Demographics)

Please provide the following information:

	Anderson County	Jefferson County	Knox County	Loudon County	Sevier County	Union County	Service Area Total	State of TN Total
Total Population-Current Year -2012								
Total Population-Projected Year -2016								
Total Population-% change								
EEOICP Client Population - 2012								
EEOICP Client Population - 2016		-						
EEOICP Client Population - % change 2012-2016								
EEOICP Client Population as % of Total Population 2016								
Median Household Income								
TennCare Enrollees								
TennCare Enrollees as % of Total								
Persons Below Poverty Level	r r							
Persons Below Poverty Level as % of Total								

RESPONSE:

The completed chart is attached as <u>Supplemental Response 1 – Section C, Need. Item 4</u> (<u>Service Area Demographics</u>).

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9. Section C, Need. Item 4.B. (Service Area Demographics- Special Needs)

Your response to this item is noted. However, the brochures and PowerPoint materials provided are very general regarding the EEOICP eligibility, requirements to get into the program, enrollment process, billing, program components Part B and Part E, Administrative Processes for decision making and appeals. Please develop a brief description of the **Special Needs** of the population who will benefit from the home health care being offered by the applicant. Please include a discussion of the numbers of potential clients who qualify for this EEOICP program and the types of diseases which develop, the disabilities endured and the types of assistance and services which the applicant's services can offer the EEOICP program clients.

RESPONSE:

Sick and injured nuclear workers covered under the EEOICP suffer from a variety of radiogenic cancers, chronic respiratory diseases from exposure to toxics materials (i.e., Chronic Beryllium Disease, Asbestosis, etc.), Parkinson's disease from exposure to chemicals, and many other diseases and ailments. Most of these work-related conditions are progressive in nature and eventually result in death. Patients' needs in the early stages of the disease process include disease management and education and medication education and reconciliation, amongst other things. As the diseases advance, the skilled-level care needs increase and eventually often progress to end-of-life care and physician-ordered comfort measures. Services that may be needed include, but are not limited to, the following: disease management and education, catheter and ostomy management and education, injections and IV therapies, pain management, oxygen assessment and management, respiratory hygiene education, wound care, and nutritional assessment and education.

10. Section C, Need. Item 5 (Existing Providers of Home Hospice Services and their Utilization)

A review of the applicant's table on page 22 Licensed Home Health Agencies in the Six County Service area revealed some discrepancies (*italicized*) and shortages (**Bolded**) in the number of licensed agencies. Below is a corrected listing.

	Anderson	Jefferson	Knox	Loudon	Sevier	Union	Service Area
Agency (Parent Office County)	County	County	County	County	County	County	Total
Clinch River Home Health (Anderson)	Yes		Yes			Yes	3
Professional Case Management of TN (Anderson)	Yes		Yes	Yes		Yes	4
Blount Memorial Hospital Home Health (Blount)	Yes	Yes	Yes	Yes	Yes	Yes	6
Home Health Care of East TN (Bradley)				Yes			1
Professional Home Health Care (London, KY	Yes		Yes			Yes	3
Parent/ Campbell Co. Branch)							
Sunbelt Home Care (Campbell)	Yes		Yes	Yes		Yes	4
Amedisys Home Health of TN (Claiborne)						Yes	1
Suncrest Home Health (Claibirne)		Yes				Yes	2

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Smokey Mountain Home Health & Hospice (Cocke)		Yes			Yes		2
Elk Valley Health Services (Davidson)	Yes	Yes	Yes	Yes	Yes	Yes	6
Home Care Solutions (Davidson)	Yes	Yes	Yes	Yes	Yes	Yes	6
Quality Home Health (Fentress)	Yes		Yes	Yes			3
Amedisys Home Health Care (Hamblen)	Yes	Yes	Yes		Yes	Yes	5
Premier Support Services (Hamblen)	Yes	Yes	Yes	Yes	Yes	Yes	6
UT Med. Ctr. Home Health (Hamblen)	Yes	Yes	Yes	Yes	Yes	Yes	6
Amedisys Home Health (Hamilton)	Yes			Yes			2
Advanced Home Care (Greene)							0
Amedisys Home Health Care (Knox)	Yes	Yes	Yes	Yes	Yes	Yes	6
Camellia Home Health Of East TN (Knox)	Yes	Yes	Yes	Yes	Yes	Yes	6
CareAll Home Care (Knox)			Yes	Yes			2
Covenant Home Care (Knox)	Yes	Yes	Yes	Yes	Yes	Yes	6
East TN Children's Hospital Home Health (Knox)	Yes	Yes	Yes	Yes	Yes	Yes	6
Genitive Health Services (Knox)	Yes	Yes	Yes	Yes	Yes	Yes	6
Girling Health Care Services of Knoxville, Inc.	Yes	Yes	Yes	Yes	Yes	Yes	6
Girling Health Care, Inc.	Yes	Yes	Yes	Yes	Yes	Yes	6
Maxim Healthcare (Knox)	Yes	Yes	Yes	Yes	Yes	Yes	6
Mercy Home Care (Knox)	Yes	Yes	Yes	Yes	Yes	Yes	6
NHC Homecare (Knox)	Yes	Yes	Yes	Yes	Yes	Yes	6
UT Medical Center Home Care (Knox)	Yes	Yes	Yes	Yes	Yes	Yes	6
NHC Home care (McMinn)				Yes			1
Intrepid USA Healthcare (Monroe)	Yes		Yes	Yes		Yes	3
Sweetwater Hospital Home Health (Monroe)				Yes			
Senior Services Home Health (Shelby)			Yes				1
Amedisys Home Health (Washington)							0
Total- 32	24	19	25	25	18	24	0-6

The JAR is not always accurate regarding licensed agencies. The JAR does show agencies providing services to patients where they are not authorized to provide services.

A) The applicant indicates that it intends to focus on patients whose home health care has been approved by the US Department of Labor's for reimbursement under the EEOICP program. Please review the payor mix section of all the HHAs authorized to serve the six (6) counties. Please report the utilization for all authorized HHAs which show activity in the six county service area with the Department of Labor's EEOICP program as the payor for the services provided. Please report their activity for EEOICP beneficiaries only as requested in C below.

Utilizing the JAR as a data source, please prepare three tables, one for each of the past three years (2009, 2010, 2011), which summarizes the total number of EEOICP patients served by agency by county.

RESPONSE:

The payor mix data in the Joint Annual Reports for the home health agencies in the six (6) county service area does not specifically delineate activity with the DOL's EEOICP program as the payor for the services provided. The Applicant is not aware of another source for such EEOICP payor mix data, as provider-by-provider and/or county-by-county data is not, to Applicant's knowledge, available from the DOL. The Applicant is aware that Professional Case Management of TN (Anderson County) is a home health agency that only provides services to EEOICP beneficiaries, and attached as Supplemental Response 1 – Section C, Need. Item 5 (Existing Providers of Home

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> <u>Hospice Services and their Utilization) - A</u> is an abbreviated version of the chart that you requested including such data for Applicant and for Professional Case Management of TN.

Example for Question A: 2011 Existing Home Health Agency Utilization Department of Labor's EEOICP

- 12	ro	or	an	ı U	nl	V
		-			***	- 1

Pro	gram Only				William Town		
Agency (Parent Office County)	Anderson County - Total Patients Served	Jefferson County- Total Patients Served	Knox County- Total Patients Served	Loudon County- Total Patients Served	Sevier County- Total Patients Served	Union County- Total Patients Served	Service Area- Total Patients Served
Clinch River Home Health (Anderson)							
Professional Case Management of TN (Anderson)							
Blount Memorial Hospital Home Health (Blount)							
Home Health Care of East TN (Bradley)							
Professional Home Health Care (Campbell / London, KY)							-
Sunbelt Home Care (Campbell)							
Amedisys Home Health of TN (Claiborne)							
Suncrest Home Health (Claibirne)							
Smokey Mountain Home Health & Hospice (Cocke)							
Elk Valley Health Services (Davidson) Home Care Solutions (LHC							
Homecare of TN) (Davidson)							
Quality Home Health (Fentress)							
Amedisys Home Health Care (Hamblen) Premier Support Services							
(Hamblen) UT Med. Ctr. Home							
Health (Hamblen) Amedisys Home Health							
(Hamilton) Advanced Home Care							
(Greene) Amedisys Home Health							
Care (Knox) Camellia Home Health Of							
East TN (Knox) CareAll Home Care (Knox)							
Covenant Home Care (Knox)							
East TN Children's Hospital Home Health (Knox)							
Gentiva Health Services (Knox)							
Girling Health Care Services of Knoxville, Inc.							

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Girling Health Care, Inc.		 	T 4
Maxim Healthcare (Knox)			
Mercy Home Care (Knox)			1
NHC Homecare (Knox)			
UT Med. Ctr Home Care (Knox)			
NHC Home care (McMinn)			
Intrepid USA Healthcare (Monroe)			
Sweetwater Hospital Home Health (Monroe)			
Senior Services Home Health (Shelby)			
Amedisys Home Health (Washington)			
Total- 32			

Question A: 2010 Existing Home Health Agency Utilization Department of Labor's EEOICP Program Only

		The second of th	Communication of Eurot & Elloter Frogram Only					
Agency (Parent Office County)	Anderson County - Total Patients Served	Jefferson County- Total Patients Served	Knox County- Total Patients Served	Loudon County- Total Patients Served	Sevier County- Total Patients Served	Union County- Total Patients Served	Service Area- Total Patients Served	
Total								

Question A: 2009 Existing Home Health Agency Utilization Department of Labor's EEOICP Program Only

Agency (Parent Office County)	Anderson County - Total Patients Served	Jefferson County- Total Patients Served	Knox County- Total Patients Served	Loudon County- Total Patients Served	Sevier County- Total Patients Served	Union County- Total Patients Served	Service Area- Total Patients Served
Total							

B) In question 3 above, the applicant has been asked to clarify whether this applicant intends to serve only EEOICP beneficiaries, or will other non-EEOICP clients also be served by this Agency. If the applicant agency intends to serve non-EEOICP clients, then please also report their activity for all patients as requested in C below. The applicant should list only the Agencies which have reported serving EEOICP beneficiaries. Utilizing the JAR as a data source, please prepare three tables, one for each of the past three years (2009, 2010, 2011), which summarizes the total number of all patients served by agency by county.

RESPONSE:

As noted above, the payor mix data in the Joint Annual Reports for home health agencies does not specifically delineate activity with the DOL's EEOICP program as the payor for the services provided, and the Applicant is not aware of another source for such EEOICP payor mix data, as provider-by-provider and/or county-by-county data is not, to Applicant's knowledge, available from the DOL. If you are aware of a repository of this information, please let us know, and we will be happy to request such data and complete the charts suggested above.

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Example for Question B only: 2011 Existing Home Health Agency Utilization Department all Patients

Agency (Parent Office County)	Anderson County - Total Patients Served	Jefferson County- Total Patients Served	Knox County- Total Patients Served	Loudon County- Total Patients Served	Sevier County- Total Patients Served	Union County- Total Patients Served	Service Area- Total Patients Served
Total							

Example for Question B only: 2010 Existing Home Health Agency Utilization Department all Patients

A (D (C))	Anderson County	Jefferson County-	Knox County-	Loudon County-	Sevier County-	Union County-	Service Area-
Agency (Parent Office	- Total Patients	Total Patients	Total Patients	Total Patients	Total Patients	Total Patients	Total Patients
County)	Served	Served	Served	Served	Served	Served	Served
Total							

Example for Question B only: 2009 Existing Home Health Agency Utilization Department all Patients

Agency (Parent Office County)	Anderson County - Total Patients Served	Jefferson County- Total Patients Served	Knox County- Total Patients Served	Loudon County- Total Patients Served	Sevier County- Total Patients Served	Union County- Total Patients Served	Service Area- Total Patients Served
Total							

RESPONSE:

The completed charts are attached collectively as <u>Supplemental Response 1 – Section C. Need. Item 5 (Existing Providers of Home Hospice Services and their Utilization) – B.</u>

11. Section C, Need. Item 6 (Historical and Projected Utilization of the Applicant)

Please complete the following Charts.

Girling Health Care Services of Knoxville, Inc. - Historical and Projected Utilization

		2009	2010	2011	2012	2013	2014	2015
Anderson	Patients							
	Hours							
Jefferson	Patients							-
	Hours							
Knox	Patients							
,	Hours							
Loudon	Patients							
	Hours							
Sevier	Patients							
	Hours							
Union	Patients							

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	Hours			
Total	Patients		- De -	
	Hours			

Girling Health Care, Inc. - Historical and Projected Utilization

	-,-	2009	2010	2011	2012	2013	2014	2015
Anderson	Patients							
	Visits							
Jefferson	Patients							
	Visits							
Knox	Patients			L				
	Visits							
Loudon	Patients							
	Visits							
Sevier	Patients							
	Visits							
Union	Patients							
	Visits							
Total	Patients							
	Visits							

Additionally, please provide the details regarding the methodology used to project utilization. The methodology *MUST include* detailed calculations and/or documentation from referral sources, and identification of all assumptions.

RESPONSE:

Please note that Applicant provided the numbers utilized in the completed charts below, based on a combination of the experience of the Applicant's Executive Director as a private duty referral coordinator, with consideration given to the locations of the four (4) EEOCIP-covered facilities in the area, the location and size of area hospitals and medical communities (relative to DOL and non-DOL referrals), and projected Applicant marketing areas of concentration. Please also note that the numbers provided are based on an average of 20 hours per week per client, which, based on the Executive Director's experience, is a conservative estimate.

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Girling Health Care Services of Knoxville, Inc. – Historical and Projected Utilization

		2009	2010	2011	2012	2013	2014	2015
Anderson	Patients	0	0	0	4	25	41	66
	Hours	0	0	0	4160	26000	42380	69079
Jefferson	Patients	0	0	0	0	1	2	3
	Hours	0	0		0	1040	1695	2763
Knox	Patients	0	0	0	2	10	16	27
	Hours	0	0	0	2080	10400	16952	27632
Loudon	Patients	0	0	0	0	5	8	13
	Hours	0	0	0	0	5200	8476	13816
Sevier	Patients	0	0	0	0	2	3	5
	Hours	0	0	0	0	2080	3390	5526
Union	Patients	0	0	0	0	1	2	3
	Hours	0	0	0	0	1040	1695	2763
Total	Patients	0	0	0	6	44	72	117
	Hours	0	0	0	6240	45760	74589	121580

Girling Health Care, Inc. - Historical and Projected Utilization

		2009	2010	2011	2012	2013	2014	2015
Anderson	Patients	69	61	76	73	78	79	81
	Hours	3767	4357	6991	5050	5353	5460	5569
Jefferson	Patients	50	57	55	32	34	35	36
	Hours	2894	3434	3533	2200	2332	2378	2426
Knox	Patients	284	336	282	292	310	316	322
	Hours	16324	17477	16715	15446	16373	16700	17034
Loudon	Patients	21	32	28	27	28	29	30
(4)	Hours	1008	1485	2060	1535	1627	1660	1693
Sevier	Patients	299	278	249	294	311	317	324
	Hours	20654	18412	18207	17422	18467	18836	19213
Union	Patients	1	2 7	1	2 %	14		Ē
	Hours	6	-:	255		-		2
Total	Patients	724	764	691	719	762	777	792
	Hours	44653	45165	47731	41652	44151	45035	45935

12. Section C. (Economic Feasibility) Item 1 (Project Cost Chart)

The following definition regarding major leased, loan of gifted capital expenditures cost in Tennessee Health Services and Development Agency Rule 0720-9-.01 (4)(c) states "In calculating the value of a lease, the "cost' is the fair market value of the lease is the

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fair market value of the lease or the amount of the lease payment, whichever is greater. Your sum of the lease payments over the term of the lease is noted. Your documentation of the Fair Market Value (FMV) of the building is noted. Please provide your calculation of the Fair Market Value (FMV) of the space being leased.

RESPONSE:

As to the Fair Market Value (FMV) of the space being leased, the lease is for 1,500 square feet in a multi-tenant building, for 36 months (plus renewal options), at the rate of \$23,250 the first year, with escalators for years 2 and 3, or a total rent over 3 years of \$71,160 (as set forth in the lease attached as Attachment A.6 – Applicant Profile, Item 6 - Lease to the Application). As a multi-tenant building with approximately 171,000 square feet of leasable space, the Applicant believes this negotiated rent constitutes FMV for the space. When the rental sum of \$71,160 is compared to the property assessor's valuation of the entire building and that valuation is allocated to the Applicant's 1500 square feet, that provides a FMV of the building of slightly over \$53,000, which is less than \$71,160.

13. Section C. (Economic Feasibility) Item 2. (Funding)

The letter from the Chief Financial Officer of Harden Healthcare, LLC is noted. Please have the Chief Financial Officer resubmit the letter specifically identifying the estimated amount which the project is costing and the source of funds from which these funds will be drawn. Will the financing be provided through Harden Healthcare, LLC or Girling Health Care, Inc, whose financial statements are provided in response to question Section C. (Economic Feasibility) Item 10. Financial Statements? The statements of whichever entity is identified should reflect amounts available to cover the cost of initiating the project.

RESPONSE:

Please see the replacement letter from the Chief Financial Officer attached as **Supplemental Response 1 – Section C (Economic Feasibility) Item 2 (Funding)**.

14. Section C. (Economic Feasibility) Item 4 (Historical and Projected Data Charts)

The HSDA is utilizing more detailed Historical and Projected Data Charts. Please complete the revised information Historical and Projected Data Charts provided at the end of this requests for supplemental information. Please note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should also include any management fees paid by agreement to third party entities not having common ownership with the applicant. Management fees should not include expense

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allocations for support services, e.g., finance, human resources, information technology, legal, managed care, planning marketing, quality assurance, etc. that have been consolidated/centralized for the subsidiaries of a parent company. Please also breakout in further detail the "Other Expenses" line item on the Historical and Projected Data Charts. See pages 12-15 for sample forms of the revised Historical and Projected Data Charts and Other Expenses Charts.

RESPONSE:

Please see the replacement Projected Data Chart attached as <u>Supplemental Response 1</u>
- <u>Section C. (Economic Feasibility) Item 4 (Historical and Projected Data Chart)</u>.

Please note that, per your instructions, Applicant is not submitted a replacement Projected Data Chart. Due to the historical inactivity within the agency over the previous three (3) years, no financial operating statements were developed for the Applicant.

15. Section C. (Economic Feasibility) Item 4 (Projected Data Chart)

- A) Please provide the utilization information for both years, specifying the units of measure for the identified utilization: hours and patients
- B) [INTENTIONALLY OMITTED AS PER YOUR EMAIL INSTRUCTIONS]

RESPONSE:

As to A, please see the chart attached previously in response to Question 14, Supplemental Response 1 – Section C. (Economic Feasibility) Item 4 (Historical and Projected Data Chart).

16. Section C. (Economic Feasibility) Item 9 (Applicant's Participation in Government Funded Programs)

Please provide the information requested in the application's question. Since Energy Employees Occupational Illness Compensation Program (EEOICP) is a federal revenue program, please identify the amount and the percentage of total gross operating revenue which the EEOICP revenue will represent. Please identify the amount and the percentage of total gross operating revenue which the any other federally or state funded revenue will represent.

RESPONSE:

The Applicant's sister agency, GHC, will continue to participate in the Medicare program, while the Applicant will only participate in the EEOICP program. EEPOICP is

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2012 SEP 21 AM 11 51

anticipated to generate approximately 85% of the Applicant's total revenue, with the remaining 15% coming from services which are not subject to CON (and will be provided by the as non-medical home care services pursuant to a PSSA license, for which the Applicant has applied).

17. Section C. (Contribution to Orderly Development) Item 3 (Staffing)

Please provide the following information:

Time Equivalent	1st Year	2 nd Year	Applicant's Planned Salary/Wage Range	Prevailing Wage for this type of employee*
	Time	Time Equivalent	Time Equivalent	Time Planned Salary/Wage

^{*}TN Dept. of Labor & Workforce Development

RESPONSE:

Please see the staffing chart attached as <u>Supplemental Response 1 – Section C</u> (Contribution to Orderly Development) Item 3 (Staffing).

18. Section C. (Contribution to Orderly Development) Item 4

[INTENTIONALLY OMITTED AS PER YOUR EMAIL INSTRUCTIONS]

19. Section C. (Contribution to Orderly Development) Item 7

Please provide documentation of the applicant's License from the US Dept. of Labor.

RESPONSE:

The Applicant has not yet received a copy of its license from the DOL. The Applicant was approved as an EEOICP provider, effective as of August 20, 2012 (Provider No.

September 21, 2012 11:51am

September 21, 2012 Page 17

616896800). Please see the e-mail and provider enrollment information sent to the Application as confirmation, a copy of which is attached as <u>Supplemental Response 1 – Section C.</u> (Contribution to Orderly Development) Item 7.

Please let us know if you have any additional questions. Your assistance in this matter is appreciated.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

Michael D. Brent

MDB/

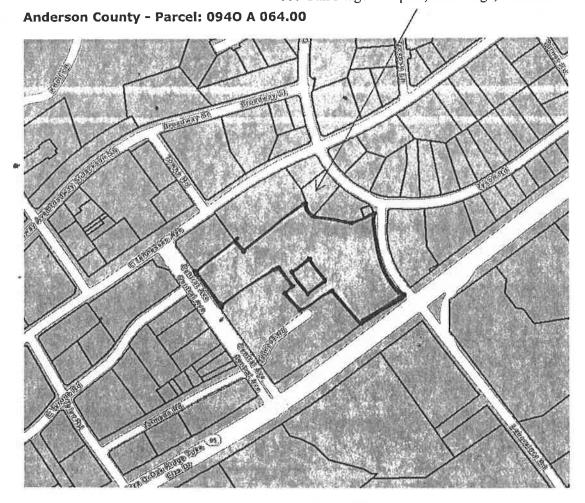
September 21, 2012
GIRLING HEALTH CARE SERVICES OF KNOXVILLE, 11:51am INC.

CN1209-043

SUPPLEMENTAL RESPONSE 1 - Section B. III. A. (Plot Plan)

800 Oak Ridge Turnpike, Oak Ridge, Tenne September 21, 2012

11:51am

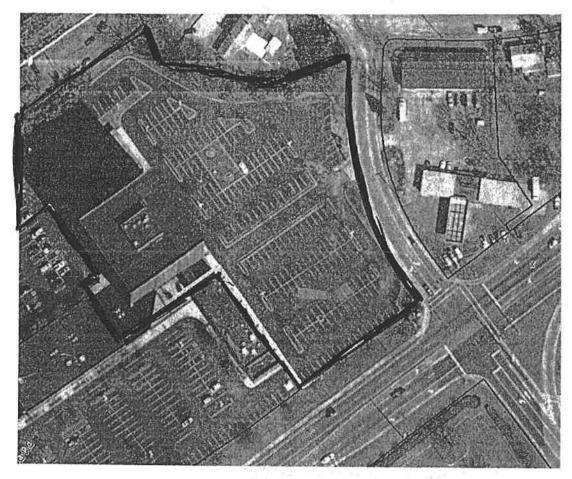


Date Created: 9/18/2012

Size of Site in Acres: 4.57

^{**} Please note that this is a multi-story building, and any proposed construction will take place on the second floor.

Anderson County - Parcel: 0940 A 064.00



Date Created: 9/18/2012

September 21, 2012 GIRLING HEALTH CARE SERVICES OF KNOXVILLE, 11:51am INC.

CN1209-043

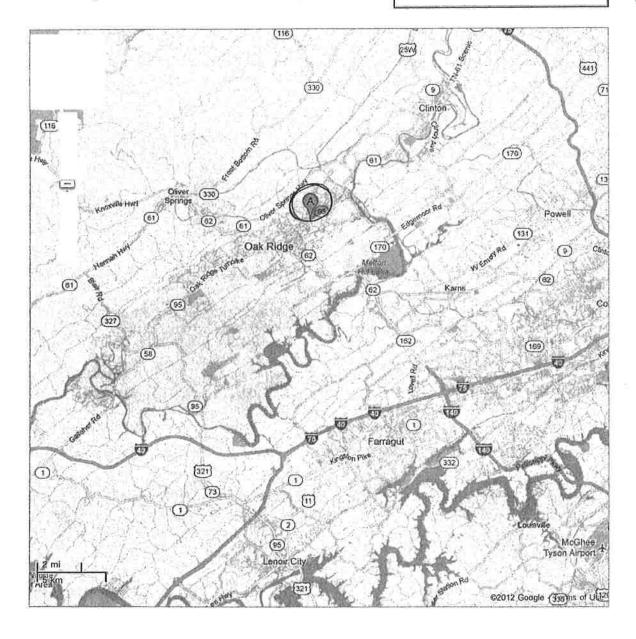
SUPPLEMENTAL RESPONSE 1 – Section B. III. B. (Relationship to Transportation Routes)

Google

Address 800 Oak Ridge Turnpike Oak Ridge, TN 37830

You can enter notes here

SUPPLEMENTAL- # 1
here September 21, 2012



Google

Address 800 Oak Ridge Turnpike Oak Ridge, TN 37830

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SUPPLEMENTAL- # 1
September 21, 2012
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(95) Springs HVIY (81) Oak Ridge A Downtown Shopping Center (62) (62) Oak Ridge Institute for Science 1 mi 1 km ©2012 Google - Map data ©2012 Google - Terms of Use

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC.

CN1209-043

SUPPLEMENTAL RESPONSE 1 – Section C, Item 3
(Reasonableness of the Proposed Service Area)

EXECUTIVE SUMMARY

The EEOICPA continues to be a tale of two programs. On the one hand, as noted in a recent report issued by the U.S. Government Accountability Office, as of January 2010 just over 39 percent of the EEOICPA cases filed were approved.² Thus as of December 31, 2011, the program had paid over \$7 billion in compensation and benefits to approximately 88,000 individual claimants.

Combined Part B and Part E Summar	у		w
**		Cases as of December 31, 2010	Cases as of January 1, 2012
Applications Filed		140,256*	149,676**
Covered Applications Filed		113,840	122,282
Total Compensation Paid	Payments	49,019	54,710
	Total Dollars	\$5,915,139,362	\$6,710,804,855
Total Medical Bills Paid	Total Dollars	\$659,674,597	\$992,659,352
Total Compensation + Medical Bills Paid		\$6,574,813,959	\$7,703,464,207

^{*} A total of 82,373 unique individual workers were represented by the 140,256 cases reported.

Moreover, even as we enter the tenth year of the DEEOIC's administration of the EEOICPA, we continue to see efforts by the DEEOIC to develop additional tools/resources and new initiatives designed to assist with the processing of EEOICPA claims. Some of the initiatives unveiled during 2011 include:

- the creation of an online Web-based claimant status page which allows claimants access to limited claims information
- an online listing of the names and medical specialties of the District Medical Consultants (DMCs) utilized by the DEEOIC
- the posting online of the Common-Law Marriage Handbook utilized by claims examiners and hearing representatives
- an internal reassessment of recommended decisions
- the issuance of a policy bulletin allowing the Ruttenber Database as an additional piece of evidence to consider when claims examiners evaluate an employee's claim for inclusion in the Rocky Flats Plant Special Exposure Cohort
- expanded use of press releases in an effort to contact potential claimants
- the announcement of a partnership with the National Academy of Science to further enhance the Site Exposure Matrix (SEM) website.

On the other hand, in spite of the monies paid by this program and in spite of the assistance offered by the DEEOIC, as well as the other agencies involved with the administration of the EEOICPA, we continue to receive complaints, grievances, and requests for assistance from claimants and others concerning practically every aspect of the EEOICPA program. While some of the complaints that we received this year involve issues addressed in previous annual reports, there were other complaints/grievances brought to our attention this year involving novel issues, or novel variations of issues addressed in previous reports.

^{**} A total of 88,174 unique individual workers are represented by the 149,676 cases reported.

^{2.} See United States Government Accountability Office's Energy Employees Compensation Additional Independent Oversight and Transparency Would Improve Program's Credibility, GAO: 10-302 (Washington, D.C.: March 22, 2010).

September 21, 2012

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, 11:51am INC.

CN1209-043

<u>SUPPLEMENTAL RESPONSE 1 – Section C, Need. Item 4.</u> (Service Area Demographics)

8. Section C, Need. Item 4. (Service Area Demographics)

	Anderson County	Jefferson County	Knox County	Loudon County	Sevier County	Union County	Service Area Total	State of TN Total
Total Population-Current Year -2012	74,373	53,483	429,161	47,280	88,941	20,863	714,101	6,361,070
Total Population- Projected Year -2016	75,016	56,061	440,468	48,896	93,612	21,970	736,023	6,575,165
Total Population-% change	.86%	4.82%	2.63%	3.42%	5.25%	5.31%	3.07%	3.37%
EEOICP Client Population - 2012 ***								
EEOICP Client Population - 2016 ***								
EEOICP Client Population - % change 2012-2016 ***								
EEOICP Client Population as % of Total Population 2016 ***					P			
Median Household Income *	\$44,650	\$38,239	\$46,759	\$49,343	\$41,476	\$30,143	\$41,768	\$43,314
TennCare Enrollees **	14,176	10,363	63,153	6,938	15,619	4,421	114,670	1,211,113
TennCare Enrollees as % of Total **	19.1%	19.6%	14.8%	14.8%	17.8%	21.5%	16.2%	19.2%
Persons Below Poverty Level *	12,396	9,356	59,215	6,701	12,135	4,185	103,988	1,047,107
Persons Below Poverty Level as % of Total *	16.5%	18.2%	13.7%	13.8%	13.5%	21.9%	14.5%	16.5%

^{*} Based on most recently available 2006-2010 U.S. Census information

Source: Tennessee Department of Health, Tennessee Population Projections (2010-2020)

^{**} Based on most recently available November 2011 TennCare data

^{***}As of September 16, 2012, there were a total of 13,851 individuals in Tennessee filing claims under the EEOICP program. The U.S. Department of Labor ("DOL") has not projected the number of future individuals or claims under the program. Under the DOL's program statistics, individuals are linked by facility where injury or exposure occurred, not by county. Oak Ridge National Laboratory currently has 4,172 individuals filing claims under the EEOICP program.

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC.

CN1209-043

SUPPLEMENTAL RESPONSE 1 – Section C, Need. Item 5
(Existing Providers of Home Hospice Services and their

<u>Utilization</u>) - A

2009 Existing Home Health Agency Utilization for EEOICP Program Only

Facility (Parent Office County)	Anderson	Jefferson	Knox	Loudon	Sevier	Union	Service Area Total
Professional Case Management of TN (Anderson)	14		7	2		0	23
Girling Health Care Services of Knoxville, Inc. (Knox)			0	0			0

2010 Existing Home Health Agency Utilization for EEOICP Program Only

Facility (Parent Office County)	Anderson	Jefferson	Knox	Loudon	Sevier	Union	Service Area Total
Professional Case Management of TN (Anderson)	46		22	9			74
Girling Health Care Services of Knoxville, Inc. (Knox)	1		0				_

2011 Existing Home Health Agency Utilization for EEOICP Program Only

Facility (Parent Office County)	Anderson	Jefferson	Knox	Knox Loudon	Sevier	Union	Service Area Total
Professional Case Management of TN (Anderson)	42		31	8		Ι	82
Girling Health Care Services of Knoxville, Inc. (Knox)			0				0

Source: 2009, 2010, 2011 Joint Annual Reports

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC.

CN1209-043

SUPPLEMENTAL RESPONSE 1 – Section C, Need. Item 5
(Existing Providers of Home Hospice Services and their

<u>Utilization</u>) - B

Sonce: So

County-Total Patients Served	Anderson	Jefferson	Knox	Loudon	Sevier	Union	Service Area
Agency (Parent Office County)							
Clinch River Home Health (Anderson)	205		238			3	446
Professional Case Management of TN (Anderson)	14		7	2		0	23
Blount Memorial Hospital Home Health (Blount)	0		∞	99	26	0	100
Home Health Care of East TN (Bradley)				458			458
Professional Home Health Care (Campbell)	0		0			0	0
Sunbelt Homecare (Campbell)	95		16	0		0	111
Amedisys Home Health of TN (Claiborne)						114	114
Suncrest Home Health (Claiborne)		-				43	44
Smoky Mountain Home Health & Hospice (Cocke)		118			5		123
Elk Valley Health Services (Davidson)	5	-	11	0	2	0	19
LHC HomeCare of TN (Davidson)	5		59	42	-	0	108
Quality Home Health (Fentress)	35		440	98			561
Amedisys Home Health Care (Hamblen)	0	33	0		0	7	35
Premier Support Services (Hamblen)	1	89	8		9		83
UT Medical Center Home Health (Hamblen)	0	127	0	0	0	0	127
Amedisys Home Health (Hamilton)	0			248			248
Amedisys Home Health Care (Knox)	763	604	1,110	0	532	0	3,009
Camellia Home Health of East TN (Knox)	91	74	464	21	92	24	962
CareAll Home Care (Knox)			191	14			205
Covenant Homecare (Knox)	783	126	1,449	302	538	ω	3,201
East TN Children's Hospital Home Health (Knox)	32	22	589	34	102	∞	787
Gentiva Health Services (Knox)	19	9	502	25	12	0	564
Girling Health Care Services of Knoxville (Knox)			0	0			0
Girling Health Care, Inc. (Knox)	92		322	32	311	7	748
Maxim Healthcare (Knox)	2	-	39	2	7	-	52
Mercy Home Care (formerly St. Mary's)(Knox)	145	224	2,628	39	226	217	3,479
NHC Homecare (Knox)	130	10	311	15	11	3	480
UT Medical Center Knoxville-Home Care (Knox)	28	111	999	06	161	74	1,129
NHC Homecare (McMinn)				0			0
Intrepid USA Healthcare (Monroe)	2		262	4			268
Sweetwater Hospital Home Health (Monroe)				27			27
Senigr Services Home Health (Shelby)			0				0
Total	2,431	1,527	9,349	1,507	2,032	499	17,345

2009 Existing Home Health Agency Utilization Department All Patients

SUPPLEMENTAL Septembe 21, 2012 11:51am

source:

498

1,638

9,513

Total

Agency (Parent Office County)								
Clinch River Home Health (Anderson)	259		201			-	461	
Professional Case Management of TN (Anderson)	46		22	9			74	
Blount Memorial Hospital Home Health (Blount)	0		13	53	32	0	86	•
Home Health Care of East TN (Bradley)				510			510	
Professional Home Health Care (Campbell)	0		0			0	0	
Sunbelt Homecare (Campbell)	22		0	0		0	22	
Amedisys Home Health of TN (Claiborne)						202	202	
Suncrest Home Health (Claiborne)		0				38	38	
Smoky Mountain Home Health & Hospice (Cocke)		137			4		141	
Elk Valley Health Services (Davidson)	9	1	=	c	2	-	24	
LHC HomeCare of TN (Davidson)	9	2	06	92	0	0	174	
Quality Home Health (Fentress)	83		482	103			899	
Amedisys Home Health Care (Hamblen)	0	38	0			4	42	
Premier Support Services (Hamblen)	-	74	7	0	8	0	06	
UT Medical Center Home Health (Hamblen)	0	126	2	0		0	129	
Amedisys Home Health (Hamilton)	0			264			264	
Amedisys Home Health Care (Knox)	868	646	1,239	0	467	0	3,250	
Camellia Home Health of East TN (Knox)	159	77	635	38	110	21	1,040	
CareAll Home Care (Knox)			144	6			153	
Covenant Homecare (Knox)	708	123	1,408	275	554	9	3,074	
East TN Children's Hospital Home Health (Knox)	78	46	450	33	72	26	705	31
Gentiva Health Services (Knox)	36	7	575	43	15	1	219	
Girling Health Care Services of Knoxville (Knox)	1		0				1	
Girling Health Care, Inc. (Knox)	85	79	379	33	357	-	934	
Maxim Healthcare (Knox)	10	2	95	4	7	2	81	
Mercy Home Care (formerly St. Mary's)(Knox)	209	218	2,374	45	270	165	3,281	
NHC Homecare (Knox)	146	10	328	17	37	4	542	
UT Medical Center Knoxville-Home Care (Knox)	53	33	936	73	285	26	1,406	
NHC Homecare (McMinn)				1			-	
Intrepid USA Healthcare (Monroe)	4		191	26			161	So
Sweetwater Hospital Home Health (Monroe)				26			26	2010 Joint A
Senior Services Home Health (Shelby)			0				0	
						İ		

2010 Existing Home Health Agency Utilization Department All Patients

Service Area

Union

Loudon | Sevier |

Anderson | Jefferson | Knox |

30

County-Total Patients Served

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Service Area		357	82	95	449	-	32	284	4	139	23	179	1,053	38	98	193	319	3,638	878	154	2,894	414	992	0	908	74	2,866	535	1,847	2	206	17	0	18,567
Union		1	-	0			-	284	39		_	_		0	0	0		,	21		14	6	-		_	1	131	4	31					542
Sevier				38						3	2	4		0	4	1		517	80		576	41	20		363	5	193	24	440					2,311
Loudon			8	48	449						0	88	139		0	0	319	0	59	9	217	30	62		40	5	40	20	140	2		17		1,689
Knox		88	31	6			6				15	75	756	0	5	4		1,570	541	148	1,275	241	644	0	443	90	2,113	345	1,143		206		0	9,711
Jefferson				0					2	136	1	3		38	75	188		612	48		122	31	10		55	1	206	8	9					1,542
Anderson		268	42	0		-	22				4	8	158	0	2	0	0	938	129		069	62	29		3	12	183	134	87					2,772
County-Total Patients Served	Agency (Parent Office County)	Clinch River Home Health (Anderson)	Professional Case Management of TN (Anderson)	Blount Memorial Hospital Home Health (Blount)	Home Health Care of East TN (Bradley)	Professional Home Health Care (Campbell)	Sunbelt Homecare (Campbell)	Amedisys Home Health of TN (Claiborne)	Suncrest Home Health (Claiborne)	Smoky Mountain Home Health & Hospice (Cocke)	Elk Valley Health Services (Davidson)	LHC HomeCare of TN (Davidson)	Quality Home Health (Fentress)	Amedisys Home Health Care (Hamblen)	Premier Support Services (Hamblen)	UT Medical Center Home Health (Hamblen)	Amedisys Home Health (Hamilton)	Amedisys Home Health Care (Knox)	Camellia Home Health of East TN (Knox)	CareAll Home Care (Knox)	Covenant Homecare (Knox)	East TN Children's Hospital Home Health (Knox)	Gentiva Health Services (Knox)		Girling Health Care, Inc. (Knox)	Maxim Healthcare (Knox)	Mercy Home Care (formerly St. Mary's)(Knox)	NHC Homecare (Knox)	UT Medical Center Knoxville-Home Care (Knox)	NHC Homecare (McMinn)	Intrepid USA Healthcare (Monroe)	Sweetwater Hospital Home Health (Monroe)	Senier Services Home Health (Shelby)	Total

2011 Existing Home Health Agency Utilization Department All Patients

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC.

CN1209-043

<u>SUPPLEMENTAL RESPONSE 1 – Section C (Economic Feasibility) Item 2. (Funding)</u>

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC.

CN1209-043

<u>SUPPLEMENTAL RESPONSE 1 – Section C. (Economic Feasibility) Item 4 (Historical and Projected Data Chart)</u>

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC.

CN1209-043

<u>SUPPLEMENTAL RESPONSE 1 – Section C.</u> (Contribution to Orderly Development) Item 3 (Staffing)

Contribution to Orderly Development--Staffing

Position	FTE Employees	1st Year	2nd Year	Planned Salary/Wage	1st Year 2nd Year Planned Salary/Wage Prevailing Wage for Employee Type
Administrator		_	_	\$70,000	\$66,630*
RN Case Manager		n	ω	\$60,000	\$60,480**
Field RN Case Manager		2	2	\$32/hour	\$29.10/hour**
Intake Coordinators		2	-	\$25/hour	\$14.90/hour***
Staff RNs		5	12	\$32/hour	\$29.10/hour**
Staff LPNs		15	25	\$25/hour	\$17.30/hour***
Staff HHA/CNAs		30	55	\$12/hour	\$9.75/hour****

Source: Tennessee Department of Labor & Workforce Development ("DOL") data for "Administrative Services Manager" in Knoxville area

(includes Anderson county)

**Source: DOL data for "Registered Nurse" in Knoxville area

***Source: DOL data for "Office and Administrative Support Workers, All Other" in Knoxville area

****Source: external information from http://www.lpn.com/state/tennessee-lpn/

*****Source: DOL data for "Home Health Aide" in Knoxville area

GIRLING HEALTH CARE SERVICES OF KNOXVILLE, INC.

CN1209-043

SUPPLEMENTAL RESPONSE 1 – Section C. (Contribution to Orderly Development) Item 7

Subject: DOL Provider Number From: tyler@thehomeoption.com Date: Mon, Aug 20, 2012 6:43 am

amy@thehomeoption.com, "Ben Hanson" <BHanson@hardenhealthcare.com>,

To: Julie@wellsconsultinggroup.com, "Robert Steel" <RSteel@hardenhealthcare.com>, "Wendi Rogers"

<WRogers@hardenhealthcare.com>, pmull625@gmail.com

We are approved as a provider for the DOL Program effective this AM:

Call Reference Number from ACS: 9745917

DOL Provider Number 616896800

Tyler Sutliff President The Home Option Office: (512)291-7096 Mobile: (512)663-6550

Fax: (512)291-7098 Email: Website:

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PO Box 8304 London, KY 40742

0000001

THE HOME OPTION
DBA HARDEN HEALTHCARE
800 OAK RIDGE TURNPIKE#A208
OAK RIDGE TN 378300000

DEEOIC Provider ID: 616896800

August 20, 2012

1 makerine complete

Dear Provider:

Welcome to Affiliated Computer Services (ACS). We are the Central Bill Payment Processing Contractor for the Office of Workers' Compensation Programs (OWCP), Division of Energy Employees Occupational Illness Compensation (DEEOIC) under the Department of Labor (DOL). We are pleased that you have chosen to join the program in an effort to provide services to our DEEOIC claimants.

Your DOL DEEOIC provider number is 616898800; Please use this number in block 33 on the OWCP-1500 or in block 51 on the UB-92 billing forms when submitting bills for services performed on behalf of a DEEOIC claimant.

Your provider type is HOME HEALTH AGENCY and, based on the provider enrollment information, you may submit bits for the following services:

GENERAL HOME HEALTH AGENCY SERVICES

You must bill the program using the OVCP-1500 term. Enclosed is a guide that explains how to submit bills for services rendered on the billing form. The guide also describes where to submit bills, the EEOIC toll free number, electronic remittance voucher retrieval and authorization requirements.

Thank you,

ACS - Enrollment Unit Department of Labor Division of Energy Employees Occupational Illness Compensation PO Box 8304 London, KY 40742 1-866-272-2682

DOE_30(2012103)545_WC.CM_133/PC.PC_4nds

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For submitting authorization requests via the ACS-DOL WebPortal, (http://owep.dol.acs-inc.com), please refer to the following information when submitting your request:

1. All authorization requests will require:

- > Claimant's 10 digit member ID (located on the back of claimant Member Banefits Identification Card).
- > Claimant's 9 digit SSN
- > Claimant's date of birth
- > Claimant's name
- > Provider name
- > Provider number
- > Provider tax ID
- > Dates of service

please specify data range if services have not been scheduled

> Procedure codes(s) and modifiers, if applicable accepted codes are CPT, HCPCS, or RCC Revenue codes

if the request includes an unlisted procedure code, please include a description of the service and any supporting documentation

- > body part(s) to be treated
- > side of body to be treated, if applicable

2. Physical Therapy or Occupational Therapy requests require:

- Required information from section 1
- A prescription for the services signed by the attending physician
- Frequency and duration of the services
- Units or number of
- > length of time in previous physical therapy

3. Durable Medical Equipment (DME) requests require:

- Required Information from section 1
- > A prescription for the services signed by the attending physician
- > indication of rental or purchase of each item
- > If product will be rented, frequency and duration information is required
- > the rental or purchase price of each item

DO L. THERESIGNAL, WE CAN ASSET FOR M

September 21, 2012

11:51am

AFFIDAVIT

2012 SEP 21 AM 11 52 STATE OF JENNESSEE_TEXAS COUNTY OF TRAVIS Girling Health Care Services of Knoxville, Inc. d/b/a The Home Option by Harden Healthcare NAME OF FACILITY: Benjamin M. Hanson after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete. SUP COMBOI COUR ignature/Title day of September Sworn to and subscribed before me, a Notary Public, this the witness my hand at office in the County of Travis State of Tennessee. Texas WENDI LORAINE ROGERS MY COMMISSION EXPIRES June 13, 2015 NOTARY PUBLIC

2015

HF-0043

Revised 7/02

My commission expires

June 13

RE: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

Melanie Hill

Sent: Thursday, September 27, 2012 5:42 PM
To: Brent, Michael D [MBRENT@babc.com]
Cc: Mark Farber; Mellssa Bobbitt; Phil Wells

OK, thanks.

This will be placed on CONSENT.

Nelania

Melanie M. Hill, Executive Director Health Services & Development Agency melanie.hill@tn.gov 615-741-2364-phone 615-741-9884-fax www.tn.gov/hsda

From: Brent, Michael D [MBRENT@babc.com] **Sent:** Thursday, September 27, 2012 4:56 PM

To: Melanie Hill

Cc: Mark Farber; Phil Wells; Jacques, Lauren; Hadfield, Chelsey

Subject: RE: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

Melanie- if the home office relocation application is not approved, the applicant will create a branch office in Anderson County and maintain its home office in Knox County. But the branch office in Anderson County would be where the majority of the work would occur with respect to the EEOICP program. In that scenario the home office in Knox County would be required to maintain certain records, etc related to the EEOICP services, which I understand would be duplicative of records kept in Anderson County. Since most of the EEOICP services will be handled from the Anderson County office, it is my understanding that record-keeping burden would be lessened if Anderson County was the home office.

Please let me know if that adequately addresses your question.

Thanks Mike

From: Melanie Hill [mailto:Melanie.Hill@tn.gov] **Sent:** Thursday, September 27, 2012 4:47 PM

To: Brent, Michael D; Jacques, Lauren; Hadfield, Chelsey

Cc: Mark Farber; Phil Wells

Subject: RE: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

Mike,

Please clarify the response to the last question (#7) regarding the 2 office system referred to in lines 3 & 5 of the response.

Stelanie

Melanie M. Hill, Executive Director Health Services & Development Agency melanie.hill@tn.gov 615-741-2364-phone 615-741-9884-fax www.tn.gov/hsda

From: Brent, Michael D [MBRENT@babc.com] Sent: Tuesday, September 25, 2012 2:47 PM

To: Melanie Hill

Subject: RE: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

Melanie-I took your questions and put them into a memo format (attached), with our answers below each question. Please let me know if you have any questions or need anything further.

Mike

BRADLEY ARANT BOULT CUMMINGS LLP

Michael D Brent

Partner

Office 615.252.2361

Cell

615.330.1414

Fax

615.252.6361

Home

615.665.8245

Email mbrent@babc.com

Websitewww.babc.com

Roundabout Plaza

1600 Division Street, Suite 700 Nashville, TN 37203

From: Melanie Hill [mailto:Melanie.Hill@tn.gov]
Sent: Monday, September 24, 2012 2:45 PM

To: Brent, Michael D

Subject: RE: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

Thanks, Mike.

Clickonic'

Melanie M. Hill, Executive Director Health Services & Development Agency melanie,hill@tn.qov 615-741-2364-phone 615-741-9884-fax www.tn.qov/hsda

From: Brent, Michael D [MBRENT@babc.com] Sent: Monday, September 24, 2012 2:42 PM

To: Melanie Hili

Subject: RE: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

Thanks for considering the consent calendar request, Melanie. I have forwarded your email to my client to have them confirm my understanding on a couple of points pertinent to some of your questions, and to obtain some other input. I'll try to email a response to you tomorrow, as I know Wednesday will be a busy day.

Mike

From: Melanie Hill [mailto:Melanie.Hill@tn.gov]
Sent: Monday, September 24, 2012 12:12 PM

To: Brent, Michael D

Subject: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

Mike,

This is in reference to the applicant's request to more the parent agency office from Knox County to Anderson County.

From my preliminary review of the application I see that this application seeks to relocate an existing home health agency parent office to an adjacent county within its service area. The agency is not Medicare or Medicaid certified and has not been seeing patients in the last several years other than the 1 it served in 2011. The agency obtained EEOICP certification in August 2012.

As I consider your request for Consent Calendar I would appreciate responses to the following questions:

- 1)The applicant's response to the supplemental question 6 indicates the Knox County office space shared with sister agency GHC is out of expansion space. The original application notes the relocation will enable the applicant to participate in the EEOICP with less expense. Did the applicant consider moving the parent office closer to the Anderson County line but still remain in Knox County (which it could do without a CON)? If so, was the leased space in Knox County still more expensive than moving to Anderson County?
- 2) Will the relocation increase costs to patients or to the EEOICP?
- 3) I do note that the proposed office space is in the same office complex as the Department of Labor's Service Center for the EEOICP. Are there benefits such as in-service training programs or other programs that will be more readily accessible for staff?
- 4) Will the relocation of the parent office make it easier to retain existing staff or recruit new staff?
- 5) What services in addition to skilled nursing will be offered?
- 6)I think it would be helpful to Agency members to have some historical information about GHCS-K and GHC. I do note that both GHCS-K and GHC were acquired by Harden Health in 2007. Had these agencies historically operated with GHCS-K being private pay and GHC being Medicare/Medicaid certified? Has GHCS-K had a substantial active caseload since being acquired by Harden Health?
- 7) Should the CON not be granted, will the applicant still participate in the EEOICP? IF so, please explain how.

Mekame

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Michael D. Brent Partner Direct: (615) 252-2361 Fax: (615) 252-6361 mbrent@babc.com

MEMORANDUM

TO	Melanie Hill
FROM	Michael D. Brent
DATE	September 25, 2012
SUBJECT	CON Application for Girling Health Care Services of Knoxville, Inc. Oak Ridge (Anderson County) CN1209-043-Responses to questions as to Consent Agenda request

1. The applicant's response to the supplemental question 6 indicates the Knox County office space shared with sister agency GHC is out of expansion space. The original application notes the relocation will enable the applicant to participate in the EEOICP with less expense. Did the applicant consider moving the parent office closer to the Anderson County line but still remain in Knox County (which it could do without a CON)?

RESPONSE: Yes, but a relocation that was only "to the county line" was not seen as beneficial as any such location would have still been several miles from the DOL service center, which the applicant believes will be beneficial.

If so, was the leased space in Knox County still more expensive than moving to Anderson County?

RESPONSE: While the applicant did not perform any formal rental rate studies, general information reviewed by representatives of the applicant indicated that rental office space in Knox County is more expensive than comparable space in Anderson County.

2. Will the relocation increase costs to patients or to the EEOICP?

RESPONSE: No, due to the reimbursement structure under the EEOICP program the applicant does not anticipate any such increase.

3. I do note that the proposed office space is in the same office complex as the Department of Labor's Service Center for the EEOICP. Are there benefits such as in-service training programs or other programs that will be more readily accessible for staff?

RESPONSE: The applicant believes there are several such benefits, including on-site training opportunities for staff of the applicant with staff of the service

Memo to Melanie Hill

center, and the convenience of periodic face-to-face meetings with staff of the service center. Additionally, the close proximity to the service center will provide benefits to the EEOICP claimants. The proposed relocation will also be in the same complex as important legal and medical resources for EEOICP program participants. Because of the nature of the radiogenic cancers and chronic respiratory disease, simply "getting out of the house" can be an extremely taxing effort for claimants and their family members. By clustering important resources, claimants will have the ability to interact directly with government, legal, medical and home care resources in one office complex.

4. Will the relocation of the parent office make it easier to retain existing staff or recruit new staff?

RESPONSE: Yes, although the applicant anticipates recruiting staff from not only Anderson County, but from all counties within its service area.

5. What services in addition to skilled nursing will be offered?

RESPONSE: In addition to skilled nursing, the applicant will provide assistance with the activities of daily living such as routine hair and skin care, dressing assistance, transfer/ambulation, showering or standby assistance, toileting, oral care and similar services.

6. I think it would be helpful to Agency members to have some historical information about GHCS-K and GHC. I do note that both GHCS-K and GHC were acquired by Harden Health in 2007. Had these agencies historically operated with GHCS-K being private pay and GHC being Medicare/Medicaid certified?

RESPONSE: Yes. Based on information obtained by harden health GHC always operated with a focus on skilled services to Medicare/Medicaid eligible population, while GHCS-K operated with a focus on "private duty" business that, for a variety of reasons, has experienced limited growth.

Has GHCS-K had a substantial active caseload since being acquired by Harden Health?

RESPONSE: No. As noted in the application, since the 2007 acquisition Harden has focused primarily on the Medicare population.

7. Should the CON not be granted, will the applicant still participate in the EEOICP? IF so, please explain how.

RESPONSE: Yes-if the home office relocation application is not approved, the applicant will create a branch office in Anderson County and maintain its home office in Knox County. However, the applicant believes that two office system would be more expensive, and more cumbersome, to maintain than its proposed two office system of having the home office in Anderson County and a branch office in Knox County (due to record keeping and other regulatory requirements, the convenience to the DOL service center, and otherwise).

FW: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

Melanie Hill

Sent: Monday, September 24, 2012 2:45 PM **To:** Phil Wells; Mark Farber; Jim Christoffersen

Asclamo

Melanie M. Hill, Executive Director Health Services & Development Agency melanie.hill@tn.gov 615-741-2364-phone 615-741-9884-fax www.tn.gov/hsda

From: Melanie Hill

Sent: Monday, September 24, 2012 2:44 PM

To: Brent, Michael D

Subject: RE: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

Thanks, Mike.

O Colamic

Melanie M. Hill, Executive Director Health Services & Development Agency melanie.hill@tn.gov 615-741-2364-phone 615-741-9884-fax www.tn.gov/hsda

From: Brent, Michael D [MBRENT@babc.com] Sent: Monday, September 24, 2012 2:42 PM

To: Melanie Hill

Subject: RE: Girling Health Care Services of Knoxville, Inc/Consent Calendar Request

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To: Brent, Michael D

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From my preliminary review of the application I see that this application seeks to relocate an existing home health agency parent office to an adjacent county within its service area. The agency is not Medicare or Medicaid certified and has not been seeing patients in the last several years other than the 1 it served in 2011. The agency obtained EEOICP certification in August 2012.

As I consider your request for Consent Calendar I would appreciate responses to the following questions:

- 1)The applicant's response to the supplemental question 6 indicates the Knox County office space shared with sister agency GHC is out of expansion space. The original application notes the relocation will enable the applicant to participate in the EEOICP with less expense. Did the applicant consider moving the parent office closer to the Anderson County line but still remain in Knox County (which it could do without a CON)? If so, was the leased space in Knox County still more expensive than moving to Anderson County?
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2012 SEP 4 AM 8 12
LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Knox	kville News Sentinel	which is a newspaper
of general circulation in Anderson, Jefferson, Knox, Loudon, Sevier & Union	- (Name of Newspaper)	eptember 4 , 20 12
for one day.	-	(Month / day) (Year)
This is to provide official notice to the Health Services accordance with T.C.A. § 68-11-1601 et seq., and the	Rules of the Health Services	and Development Agency,
that: Girling Health Care Services of Knoxville, Inc. d/b/a The Home Option by	y Harden Healthcare, a home care organiza	ation providing home health services
(Name of Applicant)	(Facility Type	
owned by Harden Home Health, LLC	with an ownership type of co	rporation
and to be managed by: Girling Health Care Services of Knoxville, Inc	intends to file an application	
for [PROJECT DESCRIPTION BEGINS HERE]:	3	
360, Knoxville, Tennessee 37923, to the leased office sp Tennessee 37830. The current service area of Anderson will not be changed, and all counties will be served from the existing Knox County office will become a branch offi	n, Jefferson, Knox, Loudon, Se the new home office location ir	evier and Union Conuties on Anderson County, and
The anticipated date of filing the application is: Septe	mber 7 , 20 12	
The contact person for this project is Michael Brent		Attorney
(Co	ontact Name)	(Title)
who may be reached at: Bradley Arant Boult Cummir	ngs, LLP 1600 Division S	treet, Suite 700
(Company Name)	(Address)	45,050,0004
Nashville		315/252-2361
(City) (State)	(Zip Code)	(Area Code / Phone Number)
ALD DA	7-4-12 mb	orent@babc.com
(Signature)	(Date)	(E-mail Address)
Andrew Jacks 500 Deaderick S	ay, filing must occur on the pr nd Development Agency son Building	enth day of the month. If the receding business day. File
The published Letter of Intent must contain the following sta	etement pursuant to T.C.A. s.68-	11-1607(c)(1) (A) Any health
care institution wishing to oppose a Certificate of Need app	lication must file a written notice	with the Health Services and

Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of

the application by the Agency.

CERTIFICATE OF NEED REVIEWED BY THE DEPARTMENT OF HEALTH DIVISION OF HEALTH STATISTICS

615-741-1954

DATE:

October 31, 2012

APPLICANT:

Girling Health Care Services of Knoxville, Inc.

800 Oak Ridge Turnpike, Suite A-208

Oak Ridge, Tennessee 37830

CONTACT PERSON:

Michael Brent, Esquire, President Bradley Arant Boult Cummings 1600 Division Street, Suite 700 Nashville, Tennessee 37203

COST:

\$116,160

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Health Statistics, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's Health: Guidelines for Growth, 2000 Edition,* and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, Girling Health Care services of Knoxville, Inc., d/b/a The Home Option by Harden Healthcare, a home care organization providing home health services, seeks Certificate of Need (CON) approval for the relocation of its parent office from it current location in Knoxville, (Knox County), to the leased office space at 800 Oakridge Turnpike, Suite A-208 in Oak Ridge, (Anderson County) Tennessee. The current service area of Anderson, Jefferson, Knox, Loudon, Sevier, and Union counties will not be change, and all counties will be served from the new home office location in Anderson County. The existing Knox County office will become a branch office.

This project does not involve a facility, as it involves only the relocation of the home office of a home health agency. The space proposed for the relocation is approximately 1,500 square feet of existing space in a multi-tenant building. This space will not require any build-out or tenant improvements, other than fresh paint and carpet. The applicant will also apply for licensure as a Personal Support Services Agency (PSSA), and will also utilize the leased space for the operation of that line of business. The rental charges for the space are \$15.50 in year one, \$15.81 in year two, and \$16.13 in year three.

Girling Health Care Services of Knoxville, Inc. (GHCS-K) is a Tennessee corporation licensed and doing business in the state of Tennessee. Since November 2001, GHCS-K has been a wholly owned subsidiary of Hardin Home Health, LLC (HHH). GHCS-K, has a sister agency Girling Health Care, Inc. (GHC), which also became a subsidiary of HHH in 2007. GHCS-K maintains a "d/b/a" of The Home Option by Harden Healthcare. HHH is a wholly owned subsidiary of Harden Healthcare Holdings, Inc. Harden Healthcare Holdings, Inc. has numerous shareholders, as shown on the chart located on page 9 of the application. Since its acquisition of GHCS-K and GHC, HHH has maintained the existence of both entities, as they have always been separate licensed home health providers, with only GHC needing a provider number, utilizing a business strategy that is not uncommon for home health providers, i.e., the operation of a separately licensed agency for "Medicare and Medicaid business", as compared to a commercial, private pay or other payor services.

The total project cost is \$116,160 and will be funded through cash flow from the operations and/or case reserves and its affiliates as noted in a letter from the Chief Financial Officer of Harden in Attachment C. Economic Feasibility-2 located in Supplemental 1.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

NEED:

The following chart illustrates the 2012 and 2016 population projections for the applicant's service area.

Service Area Total Population Projections for 2012 and 2016

County	2012 Population	2016 Population	% Increase/ (Decrease)
Anderson	74,373	75,016	0.9%
Jefferson	53,483	56,061	4.8%
Knox	429,161	440,468	2.6%
Loudon	47,280	48,896	3.4%
Sevier	88,941	93,612	5.3%
Union	20,863	21,970	5.3%
Total	714,101	736,023	3.1%

Source: Tennessee Population Projections 2000-2020, February 2008 Revision, Tennessee

GHCS-K has applied for and is now a licensed Energy Employees Occupational Illness Compensation Program (EEOICP), which was implemented by the United States Department of Labor (DOL). EEOICP provides health benefits to eligible Department of Energy nuclear weapons workers (including employees, former employees, contractors and subcontractors), often referred to as the "Cold War Patriots, including workers in nuclear weapons production and testing programs, uranium miners, millers, and ore transporters. Many of these Cold War Patriots suffer from higher incidences of Beryllium disease, Silicosis, various cancers, and other diseases related to exposure to uranium and other substances, than the general population.

The applicant intends to broaden its participation in the EEOICP program in this service area as well as in other parts of the county.

There are 10 "Resource Centers" operated by DOL as part of the EEOICP, including one in Oak Ridge, due to the large number of individuals in Oak Ridge and the surrounding area who are eligible for EEOICP. Many of those individuals are retired former employees of the Oak Ridge National Laboratory. Although the City of Oak Ridge and Anderson County are already within the service area, the relocation of the applicant's home office from Knoxville to Oak Ridge will enhance their ability to provide home health services to the increasing number of Cold War Patriots who are participants in EEOICP and reside in the service area, as well as other individuals.

GHCS-K and its Harden affiliates collectively serve approximately 36,000 patients a day, through a continuum of care that includes skilled home care, non-skilled community bed home care, hospice, and long term care service across 14 states. The applicant currently serves 0 patients a day. In the applicant's service area, the applicant's sister agency, Girling Health Care, Inc. currently maintains a patient-a-day census for each county in the service area: Knox County-129; Blount County-30; Anderson County-25; Loudon County-10; Jefferson Count-21 and Sevier Count-121.

The applicant provides the historical utilization for all home health agencies located in the service area in Attachment C, Need. Item 5-B of Supplemental 1. Additionally, the applicant provides the utilization of the only other identified participant in the EEOICP Program in Attachment C, Need. Item 5-A in Supplemental 1.

The applicant intends to primarily serve EEOICP patients; however, the applicant intends to provide non-medical home care services to patient who will pay out of pocket or via long-term care insurance.

TENNCARE/MEDICARE ACCESS:

The applicant is licensed to participate in the EEOICP program, but is not a Medicare or Tenn/Care provider (however, GHC, as an affiliate of the applicant, is a Medicare provider).

The applicant intends to primarily serve EEOICP patients; however, the applicant intends to provide non-medical home care services to patients who will pay out of pocket or via long-term care insurance.

The applicant will provide care to medically indigent patients as charity care in appropriate instances which the applicant anticipates will be in two areas. The first area is to potential EEOICP participants who may expire before the EEOICP benefits may expire before their benefits are approved by the DOL; and secondly, to an EEOICP beneficiary who may have home health needs unrelated to work related conditions (and therefore would not be covered by the EEOICP program) and may not have any other payment source.

The following chart illustrates the TennCare enrollees in the applicant's service area.

TennCare Enrollees in the Proposed Service Area

County	2012 Population	TennCare Enrollees	% of Total Population
Anderson	74,373	14,176	19.1%
Jefferson	53,483	10,363	19.4%
Knox	429,161	63,153	14.7%
Loudon	47,280	6,938	14.7%
Sevier	88,941	15,619	17.6%
Union	20,863	4,421	21.2%
Total	714,101	114,670	16.1%

Source: Tennessee Population Projections 2000-2020, February 2008 Revision Tennessee Department of Health, Division of Health Statistics and Tennessee TennCare Management Information System, Recipient Enrollment, Bureau of TennCare

The applicant anticipates 85% of total revenue will come from the EEOICP program and 15% coming from services not subject to CON.

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:

In the Project Costs Chart, the total estimate project cost is \$116,160, which includes \$20,000 for legal, administrative, and consultant fees; \$10,000 for contingency fund; \$10,000 for moveable equipment; \$71,160 for facility; \$2,000 for building only; and \$3,000 for CON filing fees.

This project contains no Historical Data Chart.

In the Projected Data Chart located in Supplemental 1, the applicant projects 44 patients and 45,760 hours in year one and 72 patients and 74,589 patient in year two with gross operating revenues of \$1,500,000 and \$1,800,000 each year, respectively. Contractual adjustments, provisions for charity care and bad debt reduced net operating revenues to \$1,455,000 and \$1,715,000 each year. The applicant projects a net operating revenue in year one of \$414,878 and \$524,270 in year two.

The applicant's charges are under the EEOICP program set forth in Attachment C. Economic Feasibility-4. EEOICP Fee Analysis comes from data provided by the DOL.

The relocation of the home office was the most feasible solution based on the business plan of the applicant, and the proximity to the Service Center site for the DOL EEOICP programs in Oak Ridge.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

The applicant is licensed to participate in the EEOICP program and will maintain its relationship with that program.

The relocation will enhance the already existing services the applicant and its affiliate GHC provide in the service area. As an existing service provider, there is no anticipated impact on other providers.

The applicant provides the year one and two staffing pattern for the project in Supplemental 1, Attachment Orderly Development Item 3.

Harden and its affiliates work with a variety of education institutions to assist in the training in all areas of healthcare. The Harden Leadership Institute was created in 2003 to promote leadership training and excellence throughout all Harden divisions. Harden has invested and will continue to invest about \$1,500,000 per year in its leaders through the Harden Leadership Institute. A significant amount of training is also available online through Harden Learning University for clinicians and managers. In the last year, the program provided training to more than 400 associates company-wide.

As a relocation of a home office, there will be no change in the licensure status.

The applicant's most recent licensure status occurred on 3/29/12 and deficiencies were noted in the area of acceptance of patients, place of care and medical supervision. After a desk review of the plan of correction, the applicant's plan was accepted on 4/2/12.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

This criterion is not applicable. No beds, services, or equipment was requested.

- 2. For relocation or replacement of an existing licensed health care institution:
 - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

The relocation of the home office was the most feasible based on the business plan the applicant, and the proximity to the Service Center site for the DOL EEOICP programs in Oak Ridge. The existing office configuration in Knox County, shared by GHCS-K and GHS was out of expansion space. The most logical alternative was to retain a smaller amount of space for a branch office of GHCS-K in Knox County, contiguous to the current location of GHC, and relocate the GHCS-K office.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

As an existing provider, the applicant and its sister agency are aware of the general needs of the service area. Data from the DOL confirms that as EEOICP beneficiaries' age, their health care needs increase, as evidenced by the increasing number of applications filed under the EEOICP program.

- 3. For renovation or expansions of an existing licensed health care institution:
 - a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.
 - b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

The above criterion is not applicable to this project.